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COURSE OF COMMERCIAL POLICY AT HOME AND ABROAD

by W. E. Gladstone.



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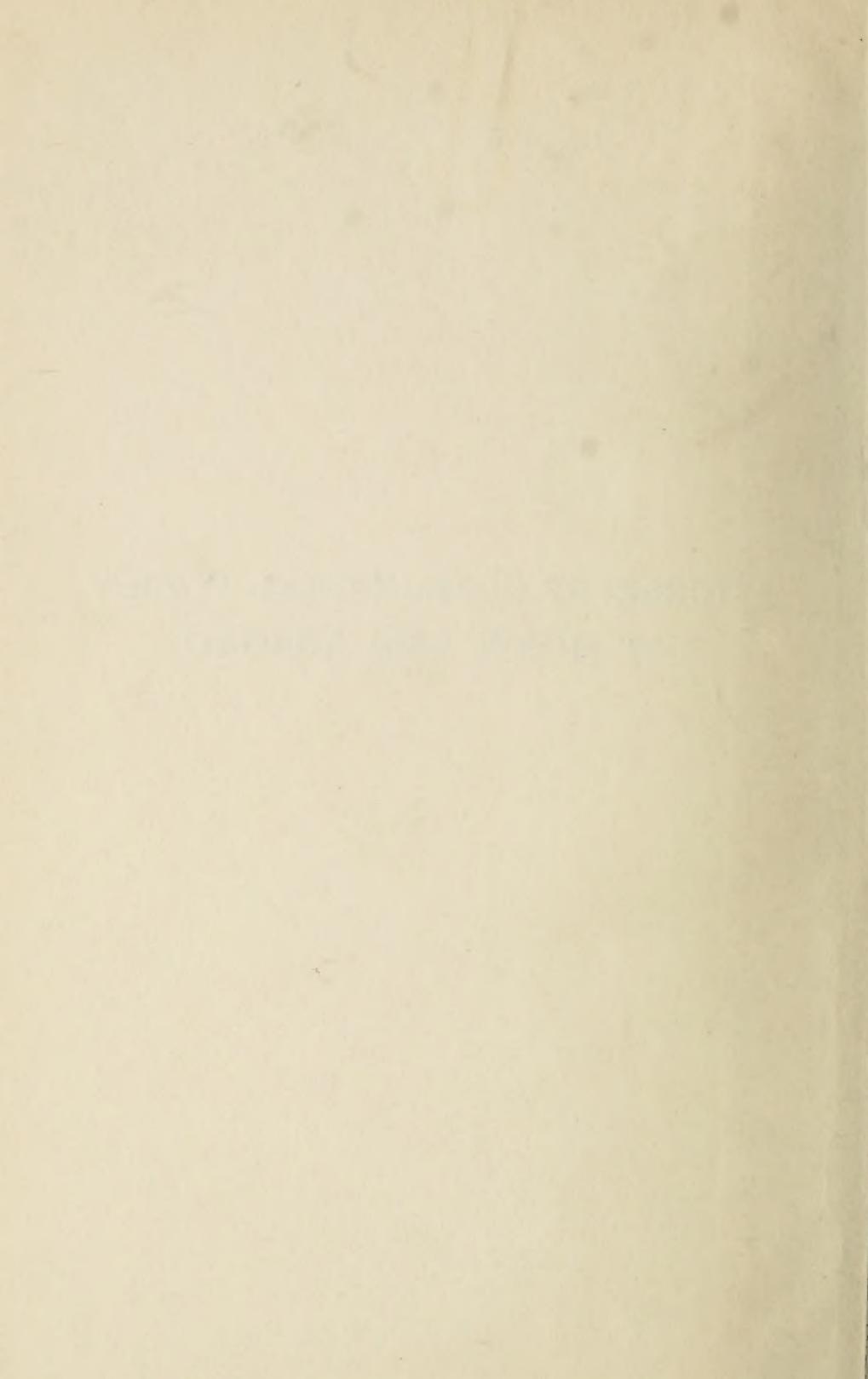
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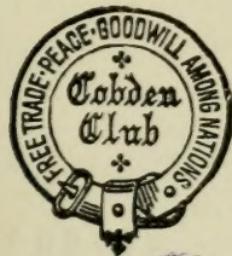
COURSE OF COMMERCIAL POLICY
AT HOME AND ABROAD



COURSE OF COMMERCIAL POLICY AT HOME AND ABROAD

REPRINTED FROM THE
Foreign and Colonial Quarterly Review
JANUARY, 1843

By W. E. Gladstone



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NOTE BY THE COBDEN CLUB

A SHORT note of explanation is necessary in presenting to the public of to-day this article by the great Liberal statesman. Though public interest in the history of Free Trade is chiefly concentrated on the Repeal of the Corn Laws, this great reform was in itself only an incident, though the most important incident, in the progress of this country from a system of ultra Protection to one of Free Trade. Other stages only less important were the large reductions in the tariff enacted by Huskisson in 1825-6 and by Lord Sydenham in the 'thirties. Further drastic reductions were carried out by Sir Robert Peel's Government in 1842 which, while arousing strong opposition from the Protectionist supporters of the Government, failed to satisfy the growing party of the Free Traders. In the controversy that arose Mr. Gladstone took a prominent part in the defence of the Government, a part which is thus alluded to in Lord Morley's "Life." Writing of the year 1845, Lord Morley says :

"Before many days were over, he (Mr. Gladstone) was working day and night on a projected statement, involving much sifting and preparation, upon the recent commercial legislation. Lord John Russell had expressed a desire for a competent commentary on the results of the fiscal changes of 1842, and the pamphlet in which Mr. Gladstone showed what those results had been was the reply. Three editions of it were published within the year."

NOTE

To this Lord Morley attached a footnote directly alluding to the article now published, which reads as follows :

“‘ Remarks upon recent Commercial Legislation suggested by the expository statement of the Revenue from Customs, and other Papers lately submitted to Parliament, by the Right Hon. W. E. Gladstone, M.P. for Newark.’ London, Murray, 1845. Mr. Gladstone had written on the same subject in the *Foreign and Colonial Quarterly Review*, January, 1843.”

The article in the *Foreign and Colonial Quarterly Review* was published anonymously, but internal evidence and the authority of Lord Morley suffice to establish its authorship beyond dispute.

The Cobden Club hope that its republication will be welcomed by the admirers of the most famous of Liberal statesmen, and will not be without interest in connection with the controversies of the present day. It shows that Mr. Gladstone, even as early as 1842, had ceased to regard, if he ever did regard, Protection as a good in itself. So far as the article is an apologetic for not yet going further in the direction of Free Trade, the defence of the Government’s policy is not made on purely economic grounds, but is rather a plea for caution in breaking away from established things; it is the argument of a cautious, open-minded Conservatism, not unwilling to be convinced, and not prepared to maintain that the existing system was in itself defensible. One might almost expect to hear him uttering the words of another great man of his time, much as he differed in countless ways from Mr. Ruskin :

“The Scottish writer will, I fear, be disagreeably surprised to hear that I am, and always

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have been, an utterly fearless and unscrupulous free trader. . . .

"It will be observed that I do not admit even the idea of reciprocity. Let other nations, if they like, keep their ports shut; every wise nation will throw its own open. It is not the opening them, but a sudden, inconsiderate, and blunderingly experimental manner of opening them, which does harm. If you have been protecting a manufacture for a long series of years, you must not take the protection off in a moment, so as to throw every one of its operatives at once out of employ, any more than you must take all its wrappings off a feeble child at once in cold weather, though the cumber of them may have been radically injuring its health. Little by little you must restore it to freedom and to air."*

In defending Peel's Government against its Protectionist critics the writer obviously takes stronger ground. No word comes from him in defence of tariffs, and the position of those who regard them as beneficial is boldly challenged. Readers of the present day will be interested in Mr. Gladstone's criticism of the "preferential" aspects of our old tariff system. What he says on this matter might be used by any Free Trader engaged in combating the preferential projects of 1919.

* Ruskin, "Unto this Last," page 97.

Course of Commercial Policy at Home and Abroad*

From the "Foreign and Colonial Quarterly Review," Vol. I., 1843.

THE compilation which we have named at the head of our list does great credit, as we think will be generally admitted, to the zeal and industry of Mr. Macgregor, one of the Joint Secretaries to the Board of Trade, by whom it has been framed. We do not pretend to so minute an acquaintance with its contents, or with the complex and diversified subject to which they relate, as to be competent judges of its accuracy in detail, but, while its general trustworthiness has not to our knowledge been impeached, even a glance at the list of topics of information presented in each number will serve to show how important is the labour which Mr. Macgregor has undertaken, in addition to the heavy and ordinary duties of his official station; and we need hardly say that we shall rejoice to witness its prosperous completion. The series, we may add,

* Art. VIII.—(1) "Commercial Tariffs and Regulations of the several States of Europe and America." Compiled by John Macgregor, Esq., one of the Joint Secretaries to the Board of Trade. Presented to Parliament by command of Her Majesty, 1842. Parts I.-V.

(2) 5 & 6 Victoria, c. 47, entitled "An Act to amend the Laws relating to the Customs." July 9th, 1842.

(3) 5 & 6 Victoria, c. 49, entitled "An Act to amend the Laws for the Regulation of the Trade of the British Possessions abroad." July 16th, 1842.

(4) "The New American Tariff," passed August 30th, 1842. London: Gilbert.

(5) "Vereins-Zolltariff für die Jahre 1843, 1844, 1845." Stuttgart, 1842.

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in so far has the sanction and responsibility of the Government attached to it, that it is printed at the public expense, and presented "by command" to the Houses of Parliament.

It is, however, to be regarded as important in respects very different from any which have exclusive reference to individual merits. It may with justice be held, we apprehend, that this publication, along with other signs, indicates the growth of the processes of reciprocal dependence between nations, the increasing measure of the interest felt by each in the commercial and material concerns of its neighbours, the nicer balance of the powers of production among them, and the keen rivalry and vigilant suspicious observation which prevail, at a time when the labourers and capitalists of England are beginning to feel that their condition may be from time to time seriously though secondarily affected by the proceedings of Governments other than their own.

In truth, this latter subject is one which, as estimated by the opinions of the moment, has started into portentous magnitude. It is not among the many masculine virtues of our countrymen to be inaccessible to panic in their economical concerns. The general liability in this respect is greatly aggravated by the eager fears of the more sensitive and precipitate. If we were to form a judgment from the language of some men, we should be led to the conclusion either that human industry at large was fundamentally dependent upon protective laws, or at least, which would be a still stranger anomaly, that in proportion as countries are poor they are well qualified for commercial competition, and in proportion as they are rich in the fruits of accumulated labour they are incapacitated from engaging in that

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beneficial strife, unless by the aid of accident or of legal artifice.

The late commercial changes in this country have, however, been of such extent in themselves, and moreover so decidedly of a nature to indicate a determined and comprehensive purpose, and so many years had elapsed since any measures of a similar character and scale had been carried through Parliament, that the shock must, in idea at least, have been considerable to all those whose modes of thinking and feeling are regulated very much by use, who, living under a wise and benignant constitution, are, from their favourable experience of the general temper and bearings of its laws, laudably inclined to confide in and to support them in detail, and naturally led to question and suspect any plan or person that may apparently run counter, in whatever department, to their prevailing spirit. We cordially sympathise with what we may denominate the ethical character of this species of opposition to the new tariff; we aspire to possess and to exhibit that character; we deem it a duty not merely to excuse but to approve that rational jealousy of novelties, which, founded upon and measured by the dictates of practical philosophy, springs out of the beneficial experience and the grateful appreciation of existing institutions. It will be an evil day for this country when its people have no prepossessions in favour of its laws: when the principle of trust and confidence shall no longer be an element in the temper with which they contemplate the system of public rule that has formed and trained, and that still embraces and surrounds them. But these honourable prepossessions in favour of what is established change their nature, and become irrational and degrading, when they are allowed to stiffen into immov-

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able determinations to abide by it upon the mere plea that it exists; when no cognisance is taken of the essential distinction between things which are manifestly fluent and mutable, dependent on circumstances and on seasons, and those everlasting laws, the poles of the moral universe, which require of all States, as of all individuals, an allegiance without limit in its duration.

The sharp and widely extended sufferings of the people in the manufacturing districts, with the stagnation and decrease of trade; the warnings we have lately had* as to their moral, their social, their spiritual condition; the breadth of the changes effected in our commercial system, the worth and soundness of those classes and persons whose prejudices are most likely to be shocked by them; and, lastly, the idea, which has gained some currency, of a combination, or at least of a simultaneous hostility to the commercial greatness of England, among foreign States: these all combine at the present moment to invest with peculiar and, indeed, unparalleled interest the many-sided discussion that arises in connection with the changes in our customs law.

Keeping in view the proper office of this journal, we shall endeavour to set aside altogether, or to touch as lightly as possible, upon such parts of that discussion as belong only to the unfruitful struggles of party in this country. We shall not question in this place either the sincerity or the wisdom of the late Administration in the proposals of May, 1841. Still less shall we stop to notice the silly charge against Sir Robert Peel, that he has surreptitiously appropriated

* For information on this matter see "Correspondence on the Subject of the Recent Disturbances," edited by the Rev. J. Sinclair, vicar of Kensington, secretary to the National Society, and chaplain to the Bishop of London.

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the principles and the measures of his opponents, or to indulge the sharp and just recrimination which such a charge invites. That distinguished minister occupies at the present moment so high a place in the estimation, not more of his country than of the world, as may well render any vindication of his conduct, in respect of its honour and consistency, superfluous or even impertinent.

Our object is partly with the foreigner and partly with our friends at home; and it is with one and the same frank, open voice that we shall address ourselves to both. We shall urge that the trade of foreign countries is essential to England, and that the trade of England is essential to foreign countries. We shall urge that foreign countries neither have combined, nor ought to combine, nor can combine, against the commerce of Great Britain; and we shall treat as a calumny the imputation that they are disposed to enter into such a combination. We shall urge that the industry of this country has nothing to fear from the steady and gradual increase of the importation of all commodities from abroad, which can be produced there at a less cost of human labour and of capital than among ourselves; but that it has everything to fear from the cessation or decline of that mighty course of operations, whereby benefits—benefits only of this world it is true, but yet in their proper place and nature real, if inferior, benefits—are exchanged between the several families of the human race. We shall urge that the severe distress of the people has arisen from causes closely connected with our economical condition, and lying much nearer its foundations than any of our statutes; that no amount of wisdom or of courage in the work of legislation can, so far as yet appears, prevent the recurrence at

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intervals of distress analogous in its character; but yet that wisdom and courage were not precluded from doing something, from offering some contribution towards the alleviation of that distress, and that they dictated and required those changes in our tariff which Sir Robert Peel has carried into effect. We shall urge finally that the high place which England occupies as the first among the commercial nations of the world has been assigned to her in the order of Providence, not by a fortuitous concurrence of events, nor by any artificial or temporary combination of them, but as the natural and proper consequence of her possessing, in a superior degree, the elements of industrial greatness; and not merely its physical elements, such as geographical position, mineral wealth, abundant capital, but its moral elements, resolution, energy, skill, perseverance, and good faith.

We commence with our first proposition : that the trade of foreign countries is essential to England, and that the trade of England is essential to foreign countries.

There are classes of persons amongst us whose habit it is to speak with disparagement of our foreign trade, and to indicate the home market as that which is alone indispensable. It may be true that the home market is indispensable to the British manufacturer; it may also be true that it affords him a trade superior to that which he drives with foreign countries; but it by no means follows that the latter is of secondary importance, even where it has been granted to be of second-rate advantage. Water may be less nutritious than bread, and yet our life may (as it does) depend on the constant supply of the one not less than of the other.

We shall probably incur the ridicule of the high

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doctrinarians among the teachers and students of political economy for venturing to draw a distinction in respect of profitableness between one description of market and another. As fluids find their level, so, according to the rigid letter of their teaching, do profits. If one trade be at a given moment more profitable than another, the surplus of dealers in the less-favoured department will be drawn towards the other branch, until they have equalised the standard of remuneration in the two. And it appears indisputable that, under the conditions supposed, this tendency to equalisation cannot fail to exist. But we believe it to be one of the great practical errors of economists, as such, that they have been tempted in their description of the combinations of material interests to assume as existing a state of equilibrium which is not actually to be found in the material more than in the moral pursuits of mankind; to make no allowance for tendencies unfulfilled; to forget that the law of our State is one of *nibus* and perpetual effort towards perfect poise and counterpoise, but that such effort is ever broken and intercepted by perpetual jars. As the mathematician teaches that a projectile will describe a parabola, so does the economist propound the equality of profits; but the second has not yet learned in the same degree as the first—to take into his calculation the effect of disturbing and deflecting forces, or rather to bear in mind that one law of nature may be modified and controlled by another. For example, as to the point now before us: in trade, as in other matters, possession is of immense consequence; the dealer or the class of dealers whose connections are already formed, whose credit is established, who is thoroughly acquainted with the tastes of his customers, and the wants of a particular market, from

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long usage, has, it is obvious, an immense advantage over an upstart competitor. It may surely be true that in some degree, though difficult to say in what degree, these considerations bear upon the comparative values of the home and the foreign trade respectively. Inasmuch as the home market is the original one, and is comparatively permanent, and equable even in its extension or contraction, whereas the foreign market is ever shifting, ever new, infinitely diversified, rapid in its alternations, marked by brilliant successes and by great reverses, it would appear that that powerful principle of possession, and consequent confidence, must have more application to the former than to the latter, and that though the tendency to equalisation is ever at work, yet that tendency is obstructed by the inert force of established order and old predilections, and the trade as depending more upon confidence and experience, and less upon the pressure of momentary competition, *may* maintain a higher average rate of profits than where the buyer has but one element to take into his view, and that the apparent cheapness of the goods which are offered him.

Or, again, is it not undeniable that the gambling principle enters into trade? that the idea of gain bewilders and misleads in proportion as the range of its chances is wide? and will not a pursuit which embraces in its alternatives sudden and splendid opulence, together with precipitous downfalls, prove more attractive than one in which slow and patient toil forgoes all hope of the excitement of brilliant success while escaping at the same time the risk of violent and ruinous reverses? This in fact it is which keeps gambling houses open, and which invests lotteries with attractions so irresistible that since they have been absolutely prohibited by law in this country

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we nevertheless witness perpetual efforts to introduce kindred schemes under some flimsy disguise or other. Does not this make good the proposition that systems yielding on the average equal profits will frequently prove attractive in proportion as those profits are unequally distributed and collected into isolated masses? consequently, that, of two systems, the one yielding less on the whole, and in the long run, may nevertheless prove at least equally engaging to adventurers, provided it exhibit the flattering possibility of greater acquisitions to particular and favoured individuals? True, the exchange is not the gambling house; and it would be absurd nakedly to hold that the foreign trade is to the home trade what the gambling house is to legitimate enterprise. The illustration is properly broader than the proposition it is meant to illustrate; that proposition, or we would rather, under a sense of the slipperiness of these topics, say that suggestion, is this: that foreign commerce, by reason of its novelties, its excitements, its golden distances, its (in ordinary times) almost miraculous incidents, may attract its full share of followers, and yet its average profits, retrospectively computed upon a course of years, may be less than those of domestic trade, notwithstanding the oracular decisions of certain writers on political economy.

As to the basis of facts for this reasoning, it may be enough to glance at cases comparatively recent—such, for example, as the sugar estates of Demerara shortly after they passed into the hands of England; the copper mines of Cuba; the sheep-farming of Australia; and, on the other side, the losses in cotton of the years 1819-20; the failures of the great East Indian agency houses; the crash of the American houses in

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1837;* the range of the tea market since the interruption of the China trade in 1839, which we believe to have been from 14d. to 3s. 2d. per lb. We do not refer to the corn trade, because the great shocks and equally remarkable occasions of prosperity in that trade may in some degree be connected with particular laws; but even the cases we have named may suffice for our present purpose, which is to intimate a doubt whether our domestic industry, great and even rapid as have been in some branches the changes of its fortunes, be not upon the whole much more equable in its tenure than that which is dependent upon foreign demand. And again let us repeat *upon the whole*; for there may be exceptional regions of home trade of which the spirit is as wild, and in which the competition is as sharp, as it can be in our dealings with any part of the globe; and in which, also, speculation has achieved results not surpassed within the bounds of human experience.

We have not in this place entered upon a distinct line of argument in favour of the British as compared with the foreign market, from the liability of the latter to be affected by hostile tariffs, which may disturb the terms of exchange between us and the countries to which we export, to our disadvantage; because we will not presume such a state of things to prevail except in rare cases. The argument, however, has been recently worked out by Colonel Torrens, in his letters published in 1841, under the title of "The Budget."

If, however, we allow the home market to be not only first in the amount of its transactions upon the

* In 1836 we exported goods to the value of £12,000,000 to the United States. In 1840 this amount had fallen to £5,283,000. In 1841 it again rose to £7,098,000.

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great articles of trade taken together, but likewise more valuable in respect of its yielding greater average profits upon equal capitals, yet let us earnestly impress it upon the minds of the worshippers of protective laws among our countrymen that both may be alike indispensable, or the difference between them in respect of their necessity so minute as to be indiscernible. Full £50,000,000 annually of the results of British industry are carried to the ports of other lands to be exchanged for their commodities; and to the masses of capital and labour engaged in the preparation, and in the conveyance across the seas, of this immense exportation must, of course, be added all the employment at home which is connected with the supply of the wants of those primarily occupied in the preparation of the materials of this transmarine commerce. But it may be said, £14,000,000 * of the £50,000,000 consist of traffic with our Colonies. They do; and if we set these aside, still does it remain, we apprehend, indisputably clear to the understanding of any man of tolerable candour that the demand for £36,000,000 of our productions in each year, with its accompaniments, is a demand the cessation or material diminution of which must have a fatally paralysing influence upon all descriptions of trade and industry in this country; must cripple to an astounding degree the circulation of capital; must aggravate an evil (which daily grows more and more serious among us even without such aggravation), the evil of placing labour at its mercy; and must inflict the most horrible sufferings on our high-hearted labouring population, by rendering that competition among them for em-

* The proportion of the Colonial trade was in 1840 about fifteen and a half millions out of fifty-one and a half. In 1841, thirteen and a half out of a total nearly similar.

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ployment, which is already keen and restless, altogether ruinous and destructive.

We have spoken of a loss of demand to the extent of six and thirty millions annually. In estimating the consequences of an evil in any degree approximating to this extremity we are not left wholly to conjecture. The experience of the present year has afforded us a melancholy sample of what we should have to expect in such a contingency. Upon whom has not the dispassionate but faithful report of the Stockport Commission left its deep impression? Who will not mournfully look back, in future and, let us hope, happier days, to the afflictions of penury and want that during this year have ground down to the dust so many labourers that heretofore had never quailed beneath misfortune, nor ceased for a moment to place their trust, so far as regarded human means, in their own dauntless spirit, their skilful fingers, and their indefatigable arms? And yet we began this year with the home market—*so far as that market depends upon the high scale of remuneration to the growers of agricultural produce and to the owners of the soil*—in a flourishing condition. It is the paralysis of our foreign trade, and the natural accompaniments of that paralysis at home, which have been the cause of much of this distress. We do not now examine the root of the mischief, but point out the fact to those who talk glibly of the home market, as if high prices of agricultural produce were the single condition of national prosperity. And yet the index of this paralysis will be found at the end of the year to be, as we conjecture, a decrease of perhaps about one-fifteenth, or less, in the value of our exports for 1842 as compared with 1841. Not that the home market has been really flourishing during this period; the purchasers of pro-

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visions have been impoverished, and their poverty has, by narrowing the demand, reached the producers and visited them in turn; but the home market has flourished, in as far as it could be made to flourish, at least up to the month of August, by high prices of food. *That* has flourished which is commonly meant and indicated in argument by such persons as are accustomed to argue in depreciation of our foreign trade as comparatively valueless and unimportant. According to their reasoning, we ought to have had general prosperity, partial distress. The case has been precisely the reverse; distress has been the rule and prosperity the exception.

But in truth there is more sound than sense in that antithesis in which the home and the foreign markets are made to stand opposed to one another. It may be true with reference to particular cases taken alone, certain articles. If, for instance, we import cut corks from abroad our producers are not generally likely to derive much advantage from any demand which may arise, on the part of cork-cutters at home, for British goods. But how can it be true, or how otherwise than false as a general proposition, that we foster the home market by sacrificing the foreign one, or that we cripple the power of home demand generally by allowing domestic labour to move in those courses in which it can be employed to the greatest advantage, by refraining to offer it compensations, in the shape of bounties and protections, for the disadvantages to which it becomes subject when it applies itself to the production of such articles as it cannot furnish except by these means? There may be good and valid reasons for the maintenance of protections; but surely they are not to be defended by any such caricature of the general principles of trade as the notion that,

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by purchasing from foreigners that which they can produce more economically than ourselves, we are diminishing our own means to purchase from one another that which we can produce more economically than foreigners. It is clear that those who advocate the extension of the foreign market mean, in effect, "consent to buy from other nations that which Providence has enabled them to give you upon better terms than you can give it yourselves"; and obtaining those articles more cheaply than when they are produced at home we manifestly reserve a larger surplus for the purchase of such commodities as we are able to raise or to manufacture to advantage. Setting aside then for the present the grave considerations of other kinds, which may be urged in favour of protective systems as exceptional, we cannot deny that while we regard the subject from its more abstract points of view and simply as it bears upon the creation of wealth, one and the same general course of proceeding with respect to trade must conduce to the prosperity of business at home and of business with foreign lands. The home trade and the foreign trade are likely on the whole to flourish conjunctively and not disjunctively. One and the same principle of beneficial exchange, exchange beneficial to both parties, is the foundation of commercial dealings, whether they be carried on between an Englishman and a Frenchman, or between an Englishman and an Englishman. And laws obstructing and restraining such exchange are to be justified, in all cases where they are justifiable, by reasons drawn from other sources, and not by reference to the rules which common sense and experience supply for our conduct in the mere augmentation of wealth.

Yet even if that opposition between domestic and

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foreign dealings were a valid and a sound instead of a fictitious and delusive opposition, is it not manifest, upon the very face of the elements of the case, that the labour of this country is dependent to an immense extent upon foreign demand; that the rate of general wages will not, ought not, to bear the reduction which must follow upon the cessation of that demand; that even if we put out of view the comfort of the most numerous classes—a monstrous supposition—yet their diminished employment must lead to diminished consumption, and that diminution of consumption react perniciously both upon the revenue (creating thereby the need of fresh taxation) and upon the general production, and, therefore, upon the general wealth of the country? If so, is it not trifling to spend our time in idle contests to ascertain which is preferable of two things both indispensable? and is it not to be admitted on all hands that no minister can be fit to govern the affairs of this great country who does not regard the maintenance and extension of her foreign trade as a public duty placed in the very first rank among those which have reference to her material interests?

But do we, by confessing that England requires in order to her prosperity the maintenance of an extended foreign trade, cast ourselves at the feet of the rest of the world and acknowledge that we are subject to the liabilities of a dependence which is not reciprocal? The case is far otherwise. We feel, indeed, that it is unworthy of the high character and position of England either to deny, or in any manner to stint the acknowledgment, that we are dependent to a very considerable degree on the demand abroad for our commodities in order to insure the sustenance and comfort of our people. But the very same considera-

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tions, which prove that we cannot have the plenitude of material well-being without foreign customers, *ipso facto* demonstrate that the regions with which we trade stand relatively to us in the same predicament. Both alternately are in the position of producers and of consumers. Both as producers are dependent upon their consumers for the employment of their labour; both as consumers are dependent upon their producers for the supply of their wants. Whether consumers, as such, are more dependent upon producers than producers upon consumers, it may be comparatively of little moment to inquire, inasmuch as the relation of the two is so close, and their state so sympathetic, that the well-being of the one rises and sinks with that of the other. But if a distinction is to be taken, we apprehend that of the two cases (we speak not of classes but of countries) consumers are more dependent upon producers than producers upon consumers; the producing country can better endure the stoppage of demand than the consuming country can bear the stoppage of supply. And England stands to the rest of the world rather in the condition of a producing than of a consuming country. The countries of the world in general are at this moment her debtors, and she has a perpetual tendency to accumulate largely the precious metals in payment for the surplus of the industrial products which she exports over those which she imports. And, besides, as regards the nature of the articles, constituting her trade both ways with foreign nations, we take it to be undeniable that more of her labour, applied to commodities, goes to them than there comes of their labour to her. As a general rule, of course with exceptions, she receives what is unwrought and she gives what is wrought; or she receives what is little wrought and gives what is

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much wrought. Of two countries, the one thus situated, the other in the inverse position, we believe the latter to be more at the mercy of the former than the former of the latter; while we freely admit that either can confer upon the other immense benefit, or can inflict on it enormous injury. The country which by capital and skill has become the greatest workshop of the world has already passed through the stages of material advancement in which the nations that are her great customers still remain, and has made good her ground beyond them. Her enormous capital may waste for generations before it sinks to the level of equality with that of any other country. If all regular exchange of productions were to cease, she has the hoards of accumulated labour upon which to subsist, and she would then be in the condition of the richest among the inhabitants of a beleaguered city pressed with famine, as to her command of necessaries and comforts by the power of money. From that cessation she indeed with all the rest would suffer dreadfully. If we take it into the account that our wants increase in this world with our wealth, and our sensibilities to privation perhaps more rapidly than either, it may be that our highly stimulated and pampered appetite would be worse calculated to endure the processes of commercial retrogression than might be the case in other countries, if there be such as are poorer indeed in their possessions but richer in their contentment. Subjectively, therefore, the infliction upon England, or at least its first shock and pressure, might be equal to or even greater than that to be experienced elsewhere; but as to the absolute loss of wealth from the stoppage of the beneficial exchange of productions, it is clear that she who holds most has most to spend. If the florid and full-blooded con-

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stitution cannot bear depletion, much less can the spare and meagre one.

In these general observations, however, we have been assuming not a combination of all foreign countries against England, but a universal adoption by them of those anti-commercial ideas which have lately been propagated in Germany by Dr. Liszt, which appear to have a very strong hold over an active party in America, and which constitute a sort of gospel to the manufacturers of France, with the signal exception of the silk trade of that country. We have assumed likewise their rigorous and extreme enforcement, a contingency the most improbable; but the last twelve months have shown us that nations may proceed—at least up to a certain point—in the career which those ideas define, and the limited application of them goes to produce in a minor degree kindred results. Upon this supposition, admitting the evil to all parties, we contend that of them all England is best provided with the means of bearing it.

But there is another supposition which seems to haunt some minds—that of a combination of foreign nations against England to exclude her, as a common foe, from the commerce of the world. We do not believe that so preposterous a conception has a place anywhere,* except possibly in the minds of a few among our own countrymen, hard pressed by the recent complications of commercial disaster, and pre-

* We find, however, in a recent number of the *Journal des Débats*, for November 9th last, an intimation that such a combination may become necessary. Speaking of the woollen trade of Belgium, the writer says: “*Une décroissance analogue, bien que moins sensible, se fait sentir dans ses exportations de tissus de laine. L'avantage pour ces articles passe de plus en plus à l'Angleterre. Ce ne sera pas trop, bientôt, que l'union de toutes les forces industrielles de l'ouest du continent contre la puissance productive croissante de cette redoutable rivale!*”

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disposed accordingly to the most doleful imaginations. There have been, we must admit, signs in the course of the last twelve months which might to a cursory observer appear to support such an opinion. Within that period France has passed an ordinance doubling the duty on linen yarns—a measure hostile enough had it been uniform in its application to all countries; but lest there should be any ambiguity about its meaning, she has actually left open her Belgian frontier to that article at the former duty, on the condition that Belgium should levy the high French duty in her own custom-houses, so as to prevent the transit of the British yarns through that country. To this disreputable and humiliating proposal Belgium has consented. Again, amidst the loudest professions from the Prussian Government of an anxiety to advance the relaxation of commercial restrictions, that Government has nevertheless adopted a proceeding not less hostile or mischievous than the measure of France with regard to linen yarns. The Congress of the deputies of the Zollverein at Stuttgart have in a new tariff, which is to take effect on January 1, besides some minor alterations of an unfavourable kind, decreed, upon the proposal of Prussia, that goods mixed of cotton and wool, if of more than one colour, shall pay fifty thalers the centner instead of thirty; that is, instead of a very high, shall be liable to an exorbitant and, as it may prove, a prohibitory duty. Next, America, as all our readers must be aware, has, after a struggle, passed a tariff subverting altogether the arrangement established by the Compromise Act of 1833, and imposing upon the various descriptions of manufactured goods rates of duty varying from 30 to 40 and 50 per cent. and upwards, which have had the effect of stopping a great portion of the shipments of

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cotton goods to that country from Great Britain during the past autumn, and without doubt have added greatly to the distresses of our manufacturing population. Besides these greater instances, Russia, according to her wont in such matters, and Spain have published within the last fifteen months new tariffs, of which it is difficult to say whether they are still worse than, or only as execrably bad as, those which they succeeded; but in the close rivalry between the old and the new, the latter seem upon the whole entitled to the palm of prohibitive rigour. And Portugal likewise has augmented the duties payable upon certain classes of her imports, by a measure of the recent date of March, 1841, and by another of the present year. In the meantime, Spain has concluded a treaty with Belgium for the admission of her linens, and the King of Prussia has effected an arrangement with the Czar, which in certain particulars secures, upon his own frontier, a relaxation of the iron strictness of the Russian system. England has concluded no commercial treaty with any of these Powers; and the negotiation with France, which the measures of Lord Palmerston interrupted in 1840, at the very period of its ripeness, appears still to slumber, owing, we believe, in part to the prevalence of an anti-Anglican feeling in that country, which for the credit of common sense and of human nature we trust will be temporary, but much more to the high protective notions and the political activity and influence of the French manufacturers, which overawe an Administration far less strong, we regret to say, than it deserves. But yet England, without gaining or asking a single boon from any foreign country, has—

1. Reduced by about one-half her duties upon foreign corn.

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2. By nearly the same amount those on foreign timber.
3. Has removed her prohibitions against the importation of cattle and other animals for food, and has fixed upon them duties ranging on the average at about 10 per cent. *ad valorem*.
4. Has made fresh meat admissible.
5. Has reduced the duty on salt provisions for home consumption by one-third and one-half, and has placed them on a footing of entire equality with the British article for the supply of the whole marine frequenting her ports.
6. Has lowered her duties on vegetables and seeds in general to one-half, one-sixth, and even one-twelfth (in the case of that most important esculent, the potato) of what they formerly were.
7. Has made all *great* articles of manufacture, except silk, which is reserved for future negotiations, admissible at duties of 10, 12½, and 15 per cent., and only in some few instances so much as 20 per cent.
8. Upon some minor articles of manufacture, where our people lie under heavy disadvantage in obtaining the raw material, and where their habits have been formed in their particular occupation wholly under the shelter, and therefore upon the responsibility, of the law, she has retained duties in some cases as high as 30 per cent. *ad valorem*, but yet has reduced them to rates insignificant in comparison with those formerly charged.
9. In her Colonies she has fixed the ordinary rates of differential duties upon foreign productions at 4 and 7 per cent., with exceptions altogether trifling in amount, on which a higher charge has been laid for special reasons.
10. She has withdrawn the prohibition to export

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machinery, except so far as regards the linen manufacture and the spinning of the yarns employed in it.

11. With regard to many other articles, such as butter and cheese, indeed with regard to all articles to which the simple and essential interests of the revenue will allow the same rules to be applied, it has been declared that they are only temporarily exempted from the operation of those rules, and it is well understood that no time will be allowed to pass except such as is necessary before the work is completed; and lastly,

12. She has not even excluded from the benefit of these reductions the very countries under whose simultaneous enactments of a hostile character she is at this moment suffering; these advantages will be enjoyed by the tar and cordage of Russia; by the corn and timber, the woollens, linens, and hosiery of Northern Germany; by the gloves, the boots and shoes, the light writing papers, the perfumery, the corks, the straw hats, the cottons and cambrics, the dressed skins, the thrown silk, and even (from an incidental change with respect to the charge of duty on the bottles) the wines of France; by the salt provisions, the ashes, the turpentine, the rice, the furs and skins, the sperm oil, of America; and she in particular may expect to derive advantage from the alteration in our Colonial import duties upon the great articles of flour, salt provisions, fish, and lumber.

There are those who think that it has been the height of folly in Sir Robert Peel to make these changes, and to select such a period for their introduction. We have now stated their case, or endeavoured to state it, fully and clearly, in a rude sketch of the hostile or unfavourable proceedings abroad, and of our contemporaneous concessions and relaxations, the most important which have been made

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since the war ; let them make the most of it. Let them urge, moreover, as they fairly may, that it matters not to us, in an economical view, whether the restrictive measures of other countries are founded upon hostile motives or not, whether injury to England is *per se* regarded as benefit to the world ; it is enough for us that they *are* restrictive measures, inimical to international trade, and most of all inimical to us, as the first among international traders.

But we must now look to the other side of the account.

There can be no mistake in saying that England manifests an unequivocal and resolute reluctance to enter into the unseemly warfare of commercial retaliations. The argument for them is, that it is necessary to make the promulgators of anti-commercial measures feel for themselves the inconvenience they inflict on others, or that they will have no inducement to retrace their steps. We cannot quite accede to this proposition. The linen and linen yarns' ordinance of France, for instance, if it mean anything for the spinners and manufacturers of that country, means increase of price against the consumers. We do not think that to oblige the people of that country to pay for their linen goods a higher price than that at which they could be supplied from abroad is likely to augment their wealth ; and we are not aware of any moral or social benefit to counterbalance the economical disadvantage thus incurred. And is it not obvious how unfavourably such a measure is calculated to act upon the export trade of the country ? how it tends to prevent her from raising to a maximum her means of exchange with other nations by inducing her to apply her labour at a disadvantage ? Disadvantages similar in kind must, of course, attend our adoption of similar measures.

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We must buy dear instead of cheap, because she chooses to do it. We must waste our national wealth, because she chooses to waste hers. We do so in wars, properly so called; and this is, it must be admitted, but another mode of doing it. A less bloody mode, but perhaps one engendering not less acrimony; on the same principles as those which have led Machiavelli to teach that a man's life may be taken with more safety to the criminal agent than his estate.

If, however, we grant the necessity of commercial retaliations in this dull, blinded world, yet it is open to us to deny that the day of that necessity has arrived (God grant it may be far distant!), and that denial we fearlessly advance. At the very least it will not be thought of, one would trust, until it shall be clear that in no other way can the legitimate employment of our people be restored to them. At the very least we must count the cost: the loss of productive power by forcing new and artificial trades in the hothouses of Protection; the internal obstacles we should raise up in the way of return to better commercial measures; the loss of goodwill and relaxation of political amity; the difficulty of determining the due measures of retaliation, the almost certainty of our smiting those whom we should not intend to smite. And be it recollected, also, that we, of all countries, as having the greatest commercial marine, have a double interest in avoiding retaliations; the reduction of international trade generally strikes us not only as producers, but likewise as carriers, and (not in all cases, but in most) we should thus receive a double blow, while we should strike a single one.

But, indeed, we need only make for the present the most moderate demands upon the advocates of retaliation, for the purposes of our argument. At all

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events let us wait a little, and see whether the cunning ones will not be caught in their own snare; whether other nations will not do our work; whether the principles of equity will not raise up avengers for themselves.

France has aimed a blow at our commerce, and a large portion of her Press has appropriately associated abuse with injury. On July 1 she raised her barrier against our yarns; on the 10th of that month we opened wider than before the entrance into our markets for many of her commodities. And as to the bad language of her journals, it is received by us, according to our different temperaments and characters, with silence, with wonder, with amusement, with sorrow, with contempt. We trust the predominant feeling is one of regret that a nation having so many noble gifts, and with which our amity ought to be as close as our neighbourhood, should be so strangely travestied in the momentary organs of her popular sentiment. But in the meantime what is the working of her restrictive law?

The time which has elapsed since it came into operation has been too short to allow us to speak with very great confidence, or rather with very great precision, of its results. But what if it should prove gainful mainly to the smuggler, and in only a secondary degree to the French flax-spinner? and should, on the other hand, be a cause of loss most of all to the French consumer, next to the French revenue, and in only the third place to the British or Irish spinners and their operatives? We learn, upon what we deem very credible authority, that Dundee will export to France as largely as ever, though it is likely that the coarse yarns of Belfast may be more obstructed. That the entries at the French custom-

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houses will not show a diminution even of the finer yarns we do not venture to predict. We are no admirers of the smuggler under any circumstances; but it is impossible to deny that he is frequently an effective, though an unintentional, minister in his sphere and degree of eternal justice.

But further. There was, of course, a relation between the duties leviable in France on linen yarns and those charged upon linen cloths. In doubling the first for the benefit of French spinners it was necessary, it was at least comparatively just, to make an equivalent augmentation in the duties on the cloths, or the manufacturer who purchased his yarns at an artificially enhanced price would have been open to competition on unequal terms with those who could obtain their materials free from the burdens of any such charge. The duties on linen cloths were raised accordingly. This measure, whether intentionally or not, fell heavily upon the importations from North Germany. The Zollverein exhibited no reluctance to enter upon reprisals. The Congress of Stuttgart forthwith raised to double their former amount the duties upon certain articles, chiefly imported from France, including quincaillerie, bijouterie, and the other articles of Parisian industry, gloves, Cognac, and paper-hangings.

The Parisian manufacturers, good innocent folks forsooth, are up in arms; they complain grievously, and, if they were not sympathisers with the ordinance of June, justly, of the stroke thus aimed at their tasteful industry; their deputations besiege the very same doors of the minister at which the flax-spinners a few months ago knocked so imperiously for a purpose the contradictory of theirs; their complaints jar in horrible dissonance with the exultations of those

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who preceded them; and France, before the eyes of the world, bears witness against herself in the matter of customs warfare.

But it also appears that while our Gallic and Teutonic neighbours are thus hacking and hewing one another, they are both mightily offended at finding that America has taken the liberty of doing to them, by her recent tariff—but less pointedly and less offensively—just what they have done to us; and it is said that they are both engaged in devising measures of retaliation against the commerce of the United States! * North Germany has enriched modern phraseology with the name of her Zollverein; will she stamp with her assent and authority some word to answer a purpose quite as necessary, such as Zollenkrieg? What a confusion of commercial conflicts will thus form around us, until our good neighbours resume the use of their wits! But we may confidently hope that if England remain firm in her dignified attitude of resolute and universal forbearance, she can hardly fail to be owned as a friend by all these belligerents, however shy, in their turn; and she will then stand in the advantageous position of a state at peace with all other nations when all other nations are at war among themselves; or else of the friendly monitress, who has taught them, by her example, to be commercially at peace with one another.

We have not, however, to quit this part of our subject without tendering to English readers some crumbs of more solid comfort than mere argument can supply. There is a heaving and fermentation in

* Again, in America we learn that the shipowners were about to hold a convention at Boston to consider the best means of averting the ruin which threatens them in consequence of the diminution of foreign trade under the new tariff.—*New York Herald*, November 10th, 1842.

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Spain, now much more powerful than heretofore, which really gives promise that she will soon cast off the weight of her monopolies and prohibitions, and that with a special view to the large admission of British manufactures. In Portugal, whatever may be the immediate issue of the pending negotiations with that country, there can be no doubt that great reductions of duty upon many important articles, especially among the various classes of cotton goods, have actually been tendered to our Government. Holland, within the last few months, has published a tariff of the most favourable description. Sardinia, in an enlightened spirit, has abandoned her very high duties, and has issued a reduced scale. Austria, it is fully understood, will, before many weeks are over, have communicated to us a similar measure, containing important reductions, and will also announce her desire to enter into specific arrangements with Great Britain for giving fuller effect to the same principles. Nay, even from the great white bear of Russia there have been semi-articulate growls, believed to be meant to express great uneasiness under the present system, and to announce the probability of change. There have, we imagine, been some other cases of favourable indications in Europe; and it is impossible not to see that in the United States the new restrictive tariff has an existence only of the most rickety and precarious description. Even in the State of New York the elections for the next Congress have just been decided against the party which is pledged to the protective, or rather the prohibitory, system.

There are some, however, who conceive that England, by her own restrictive system in past times, has, as it were, outlawed herself in matters of commerce, and may now, therefore, with propriety be

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hunted down by the rest of the world. We shall not here inquire whether all the acts of our commercial policy have been defensible; we shall not examine, for example, whether the Corn Law of 1815 was or was not an error. But let those who conceive we have been always or generally restrictive at least look back to Mr. Pitt's commercial treaty with France and observe the terms of intercourse between the two countries, as they were there adjusted; a treaty which can hardly be perused at the present day, and compared with the existing state of things, without a blush and a sigh. But we need not stand upon isolated particulars. Are we to treat it as an accusation that we have in past times monopolised the supply of manufactured goods to the nations of the Continent? What is the meaning of such a charge? That we supplied them cheaper and better than they could be bought elsewhere. Are we to be told that we have been the parties to narrow the trading intercourse of the countries of the world? We may admit that the rate of progress might have been more rapid; but we fearlessly assert that England has now long been at the head of the commerce of Christendom; that she has constantly been leading her sister nations onwards in the development of their resources—not, we admit, making their benefit, but her own, her object; yet, in the order of nature and of Providence, bestowing benefits while she reaped them, and holding the place of the chief agent in that process. And we feel convinced that if in any case reproach on account of a restrictive spirit may have attached to her policy, she will shame that reproach back into obscurity and silence by the example she is affording at this moment.

For these then, among other reasons, we hold that

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foreign nations neither have combined, can with justice combine, nor will in fact combine, against the commerce of the British Empire.

We have next to propound that the productive industry of this country has nothing to apprehend from the gradual relaxation of the laws which restrict by duties the importation of commodities from abroad. We protest, indeed, against violent changes even when theoretically good, because of their disturbing the stability of the general mind, the investments of great masses of capital, and those habits of labour which, together with the crude original faculty of labour, constitute the means of the labouring classes, and which, taken apart, may be considered as the specific form in which their capital is invested. We have designated as objectionable changes which are violent, rather than changes which are simply sudden; for in many or most cases it happens that formal notice aggravates rather than relieves the hazard and pressure of transition, by paralysing altogether the operations of the trade which they affect during the interval over which the notice extends. But all our daily experience tends to widen and deepen the conviction that most branches of the industry of this country are independent of the shelter of protective laws, and that many others are far less dependent upon such laws than those who pursue them are as yet willing to believe. Let us look back to the transactions of the last spring, patent and notorious to all men. We have heard it computed that upwards of one hundred interests engaged in commerce and agriculture professed to apprehend, and we have no doubt honestly apprehended, either ruin, or detriment approaching to ruin, from the recent changes in the customs law. The feeders of cattle,

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the proprietors of salmon fisheries, those engaged in the herring fisheries of the North, the growers of potatoes, of onions, and of clover seed and hops, the curers of provisions, the importers of East India rice, the rice millers, were among those who took the alarm in connection with articles of provision. There were the miners in the various metals of copper, tin, lead (fine), iron, spelter, and even manganese. Among the manufacturers, those employed upon linen, upon boots and shoes, upon skins, upon starch, upon hats, upon paper, upon straw-plait, upon plate glass, upon candles, upon twine and cordage, were amongst the most earnest in their remonstrances, and there were few among them who did not present a very fair paper demonstration that the highly-taxed labour of this country could not, if the duties were reduced, fail to be undersold by the foreigner; that their trade must be abandoned, their workmen dismissed, and thus their contribution rendered to the general distress and confusion. The law has now been in operation for nearly five months. We do not believe that a single complaint has since been heard, nor the smallest inconvenience experienced on the part of any one among those manufacturing interests to which we have last referred. With respect to many of the other classes, the very same observations will apply, the feeders of cattle being, we believe, almost the only exception, on whose case we shall remark shortly. But take the fact as it stands; compare the prognostications with the results, and we ask any candid man whether they do not on the whole present, we will not say by any means a universal proof, but a signal and an extended illustration of the elasticity, the energy, the independence upon highly protective laws, of British industry? We do not fear to refer

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to one of its weakest plants, the silk trade. We allege that the trade is admitted to have increased since the prohibition was removed; and the allegation on the opposite side is simply this—that the increase has been chiefly, it has not been wholly, in a very inferior description of the material, technically known as “waste, knubs, and husks”; but if any increase be admitted, and if at the same time it be notorious that the nation has been supplied with better and cheaper goods, we ask is this a case of which the supporters of Mr. Huskisson’s policy have need to be ashamed? It must never be forgotten, in reference to this trade, that upon it have fallen, perhaps more heavily than upon any other, the consequences of our gross neglect of the arts of design, only now beginning to be—surely we trust, even if slowly—retrieved. And here, in passing, let us pay to France the merited tribute of an acknowledgment that she has understood, at the very least she has exemplified to the world, this commercial truth: that taste, that beauty, or what the fashion of the day takes for beauty, has a money value, and that care and money may be, even in the sense of the most naked and harsh utilitarianism, well laid out upon promoting its introduction into manufactures.

Indeed, as regards our manufactures, it may now be considered as almost admitted that the application of protective laws to them is, though important in isolated cases, yet on the whole secondary and slight; and it is material to remember that, as the tables of our exports will show, we are at this moment exporters of many articles in which we derive absolutely no advantage from the superiority of our machinery—such as hats, boots and shoes, saddlery, where we are wholly dependent upon manual labour;

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perhaps we may venture also to give by way of example the great article of linens, the fourth in magnitude among our staple exports, which are woven generally by the hand-loom and not by power.

But the question may be deemed more dubious as regards agricultural produce. There is the old and vexed question of burdens on the land. There is the admitted superiority of the soils of some competing countries—as, for instance, Poland and the Western States of the American Union. But on the other hand it is right to say that the powers of British agriculture are as yet imperfectly developed. We could name practical agriculturists of the highest authority who hold that, by means already known and within our power, the soil may be made to produce on the average *double* what it now raises. Our great manufacturers have thriven under the sometimes too feverish and intense, but yet generally wholesome, stimulus of competition. We think it can hardly be said that of late years this principle has been brought sufficiently to bear upon the growers of agricultural produce. We speak of them as a body with the highest respect; they are the very trunk of our social health and strength; may the day never come when they shall cease to be the first among the classes of the noble country they adorn. But to say that they require to be stimulated, to say that unless stimulated they will not use their utmost and sustained efforts to devise the means of economising production, and of selling as cheaply as possible, and, further, that the stimulus they may afford to one another cannot, under all circumstances, be considered sufficient—all this is merely to say that they are men, and that they are not wholly exempt from the common, the universal infirmities of men. Let us look at the difference in

private life between a frugal and a lavish expenditure; let us see how practically true it is that equal means do not yield equal but, on the contrary, yield most unequal results; and we may then the more readily conceive that English agriculture has large resources as yet almost unopened, upon which it may draw in the time of need, and which will have ample scope for their exercise before they have raised our average cultivation to the standard of the south-east of Scotland.

There are many considerations, some in the nature of experimental facts, and some in the nature of reasonable presumptions, which tend to show in how great a degree the agriculture of this country partakes intrinsically of the vigour and elasticity that characterise her manufactures. The same national character is applied to both. The advantages derived from the abundance of capital, and from the extensive combination of labour, are quite as available for our agriculture as our manufactures. The comparative bulk, and the comparative perishableness of agricultural products, as compared with the portable and enduring nature of manufactured goods, enhance enormously the relative advantages of proximity to markets in favour of the agricultural producer, and the disadvantages under which the foreigner enters into the competition for the supply of food. While the population of the country continues to increase, it can hardly be that the demand for the use of its soil should diminish. The advancing art of chemistry permits, and the progressive accumulation of capital facilitates, not merely the improvement of our poorer soils in favourable localities, but their actual conversion into superior ones. Our agriculture is, even at the present moment, greatly in advance.

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A recent statistical return shows that the average actual production of wheat in France* is thirteen bushels per imperial acre, and of all kinds of grain taken together about fourteen; in England we have no such evidence to appeal to, but we believe that the lowest calculations fix the quantity at twenty-three or twenty-four, and that the highest carry it more nearly to thirty bushels per imperial acre. But over and above all these, which are topics of economy, the land in this country has an advantage far beyond what it possesses, to our knowledge, in any other—in the frame of our social institutions, sustained as they are by the popular sentiment, which make permanence a general condition of pre-eminence, which associate that permanence exclusively or mainly with the possession of landed property, and which thereby, continually and powerfully attracting the capitals realised in commercial undertakings towards this description of investment as their ultimate home, tend in the same degree to maintain and even to raise its relative value. And we apprehend it to be a social truth of the utmost importance that among us a lower rate of interest rules for landed property than for other descriptions, not merely, as we venture to believe, on account of its security, but on account of the advantages, other than pecuniary, which it confers, and which—thus standing in the place *pro tanto* of money returns—will aid in maintaining the agricultural interest of the country, if need should be, at a rate of profit lower in proportion than that which would be necessary to afford adequate encouragement to the same industry abroad. We happen to have heard of cases of sales of land, some small and some large, and some of them by public auction, during

* See "Commercial Tariffs," &c., iv. 141.

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the course of the year 1842, in England, in Scotland, and in Wales; and in every instance they have been effected at high prices, although in the face of the tariff, and of the reduction of the duties upon foreign corn, and of falling markets for every kind of agricultural produce, a fact, we conceive, of the most consolatory nature to those who, like ourselves, would deprecate, as among the worst of calamities, a restriction of the demand for rural labour, and a transfer of our peasantry to manufacturing occupations in such a degree as greatly to alter the proportions now prevailing between the different departments of our industry.

There are other facts, to some of which we will cursorily advert, in the hope that our readers may follow out the trains of thought which they suggest, and which all tend to encourage the hope that our agriculture has a strength of which no hostile Parliament can deprive it. If we ask the British farmer why it is that he requires protection, he will probably reply: on account of the high rate of wages which, besides his rates, he has to pay. But if this were so, it would be at least a probable consequence that he would thrive most in the countries where the rate of wages is lowest, and least where it is highest. So far, however, is this from being true that we apprehend the proposition would be less wide of the mark if it were inverted. The following, at least, we hold to be a most striking circumstance. The cheap labour of Ireland is much more sensitive to foreign competition than the dear labour of England. Here is Ireland, with fertile soils, with comparatively few taxes, with the highest market in the world open to her, and many of our ports accessible at as small a cost to her as they are to our own cultivators, and yet

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the cheap labour of Ireland has never been able to undersell the dear labour of England; the agriculture of this country maintains its relative superiority over the agriculture of the sister island; and upon occasion of the recent changes in the corn law, and with respect to cattle, the loudest cries of apprehension actually came, not from Norfolk or Northamptonshire, but from the oat-growers and the graziers of a country which has the advantage of, perhaps, the cheapest labour in Christendom. We do not state this as an enigma without a solution; but we state it to show, from a near and familiar source, that the cheap labour of continental Europe, though abstractedly advantageous, need not drive us to despair. Even Ireland herself has an agricultural product, that of flax, which she still finds it to her interest to raise, though the competing article, of superior quality, is introduced from abroad, at the nominal and insensible duty of one penny per cwt., and although, as we believe, she imports the seed from which she raises her crops;* or let us recur to the period between the year 1765 and the French war—the period when the corn trade was virtually free, and not violently influenced by political events. It is not, so far as we can learn, denied that at that period the trade and the agriculture of the country advanced together, and with an accelerated velocity; the labouring population passed over from the use of rye to that of wheat; we presume that the rate of wages rose; our standard of material comfort must certainly have been elevated, and our tables testify the progressive increase of the price of corn. We are aware of the danger of fanciful analogies and hasty parallelisms in subjects

* “The Prosperity of the Landholders not dependent on the Corn Laws.” By Thomas Jevons, p. 37.

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with respect to which it is so difficult to be certain that we are really in possession of all the facts requisite for the formation of a judgment; we are not about to depart from our positions: that great questions of this kind must be cautiously and gently handled; that the law, as it were, gives leases, which must be allowed to run out; that the demand of agriculture for compensation, on account of its alleged burdens, deserves to be carefully weighed; that that branch of industry, all its characteristics taken together, has claims upon the State which can be postponed to those of no other whatever. But no man who compares together the progress of our population and of the supply of food in this country for the last century, together with the extent of our foreign trade, and its influence upon internal commerce of all kinds, can, as we think, deny that our economical laws in general must be regarded—indeed, have they not always been so regarded?—as mutable according to the exigencies of time and circumstance. We rejoice, therefore, to believe that there are rational grounds for the hope that the noble pursuit of the tillers of our soil, and the feeders of our flocks and herds, has a charter of an older date and a surer duration than any that can be afforded by Queen, Lords, or Commons.

But, upon the other hand, as with the accumulation of our capital, and the increase of our population, the prices of those commodities whose production is mainly dependent on the moving power of the human sinews have progressively increased, it is, perhaps, to be feared that the reversal of these conditions, the wasting of our capital, and the decrease of our population, may insure, and may alone be sufficient to insure, a great and progressive diminu-

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tion in the prices of agricultural products. Several years have elapsed since Sir Robert Peel, then the leader of the opposition, declared in the House of Commons that in his judgment the agriculture of the country had derived more benefit from the growth of its commerce than from the then existing or any other corn law. A protective law may ward off some positive evils; but the vast increase of landed wealth has not proceeded from enactments in their nature negative and restrictive: it must have arisen from some cause having in it a *vis viva*, such as that faculty of increase by means of exchange, which is the distinctive property of commerce, and the twin-sister of the generative power of the earth. While our population continues to grow, it will continue, in all probability, to press hard upon the supply of food, and, in a state of things not influenced by statutory enactment (subsequently, therefore, to the time when they should have found their natural level), to draw its prices upwards; but our population cannot grow without increase of employment, nor can that increase of employment be had except by progressively enlarged means of exchange with foreign countries. The question for practical men is not whether, if the productive powers of our own island were exerted to the utmost, the means of such enlargement might be found within our own borders; because it is not reasonable to expect that they should be so exerted without the stimulus of competition from abroad, and because agricultural improvement does not so augment the agricultural population as to keep pace in any degree with the productive power of our manufactures. If, then, the retrograde movement—of which we have seen a specimen within the last twelve months—shall take its course; if employment be diminished;

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if the consuming power of the population at large be weakened, then even before the effect can have been felt in a decay of population, the prices of food must decline; while population is receding, the pressure will not be of numbers upon food, but of food upon numbers; the purchaser's inability will have so reduced demand as to give him the command of the market; provisions will be cheap in money, but dear in the proportion of wages they will absorb; distress (as now), wounding agriculture through the sides of trade, will react upon trade itself, and will through trade again react upon agriculture. But the destiny of England is not, as we believe, written in these letters of darkness; we confidently look for better things, and we now pass on from the proposition of which we may sufficiently have indicated the grounds, that the most formidable, perhaps the single permanently formidable danger to British industry—agricultural as well as manufacturing—lies in the possibility of the serious contraction of the circle of our trade.

As to the distress then of our people: has it arisen from the corn law, or from over-production, or from the undue extension of credit through the medium of joint stock banks, or from the introduction of machinery, or from the immense absorption of our capital in inactive and now valueless loans abroad, which has amounted, we believe, during the last fifteen or twenty years, to some fifty millions sterling? Or from the very great amount of actual difference in material wealth occasioned to the nation by the successive occurrence of four bad harvests in the years from 1838 to 1841 inclusive, which, perhaps, we may venture rudely to compute, without extravagance, at ten millions sterling a year, or forty millions of

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money's worth in the whole; or from the increased expenditure of the Government, and increased taxation, to the amount (including more than half a million of increase in the poor's rate)* of, perhaps, three millions annually; or to the loss of the continental demand for manufactured goods, and the obstruction from special causes of certain channels of our foreign trade—for example, the expanding market of China? We believe that nearly the whole of these causes have combined in different degrees to cause and aggravate our embarrassments. But we apprehend that the allegation applies to them in very different senses and degrees. As regards the corn law, for example, it is notorious that our foreign trade flourished exceedingly during the years 1833-6, while that law was prohibitory; and as, whether convenient or not, it was at least not prohibitory during the subsequent period of distress, it seems too much to treat it as having been actively a prime cause of that distress. We can, however, conceive that there is some justice in the charge of Mr. Salomons, who, † in a pamphlet upon that question, contends that by restricting the importations of food from America, and compelling that country to pay us whatever she did pay of her debts in gold, we, with a double power, dragged downwards the price of our own exports in her markets at the same time that we paid to the nations of Europe a higher price for the relief of our deficiency in corn than would have both bought us flour from her ports and at the same time upheld the prices of our manufactures, for which it would then have formed the means of exchange. But there is a

* Eighth Report of the Poor Law Commissioners, p. 8.

† "The Corn Laws: Their Effects on the Trade of the Country Considered." By David Salomons, Esq.; 1841.

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fanaticism, to us unaccountable, in those who are able to persuade themselves that the operation of the late corn law has been a principal cause of our recent distresses.

We cannot help believing, again, that the dead loss implied in the four times repeated failure of the reproductive process of the earth, independently of its connection with any law whatever, and the stoppage of returns from so very large an amount of capital as has been locked up in the Peninsular and North and South American loans and stocks, had a greater share than is commonly allowed in producing and enhancing our difficulties. But without seeking to enter into minute detail upon others of the suggested sources of the mischief, we shall hazard the expression of our conviction that, in so far as this has been (and we believe it has mainly been) a temporary and remediable distress, it has been owing, in a very great degree, to the evil of over-production. This it was that first raised the action of our trading system to the pitch of fever; and then, to avoid the suffering attendant upon a return to a healthy and natural state, prolonged, and even added intensity to, that fevered energy. When markets were glutted, and profits in their downward progress had touched those limits within which there was no sufficient margin to leave trade secure of fulfilling its office of replacing capitals at the least without waste, our manufacturers struggled on and on, with the indomitable perseverance which belongs to the British name, but which sometimes, in the complications of human affairs, increases its own embarrassments by its very efforts at self-extrication. It is too much to expect from human nature that with matchless enterprise we should find associated equally

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signal circumspection. And it is easy, even for those not acquainted with the actual process of trade, to conceive how, from motives mainly innocent, nay laudable, men might continue to wage an unequal contest against the diminution of their profits by the increase of the quantities of their goods; although it is not less clear that the remedy fed the disease, and, while it postponed the day of the crisis, went greatly to enhance its intensity.

We know well that it is not difficult to represent the doctrine of the possibility of a real over-production as a paradox, or an absurdity. "What! too much industry! Too much skill! Too much enterprise! Is man, then, so poor a creature that when he thinks he has just begun to put forth his energies, he has, in fact, reached their utmost confines, beyond which their exercise is vicious in itself and can only lead to suffering?" But the elements of manufacturing production are capital and labour; and its profitability depends upon the relation between supply and demand. And here we come upon two causes with which we conceive this over-production to have been connected. Is it not true, or at least probable, that the sudden and vast extension of credits, and their being given without due relation to the substance and solvency of parties, may have deranged the due proportions between capital and labour, by substituting for solid capitals—which will bear the waste consequent upon suspension of profitable trade—unreal and fictitious capitals; that is to say, credits not supported by adequate proportions of capital, which may indeed serve the purposes of exchange, so long as the returns of business are rapid and profitable, but which melt like snow in the sun when confidence is shaken, and when, consequently, they are no longer

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taken upon trust? By these delusive capitals, or phantoms of capitals, speculators are enabled to put in motion vast masses of labour; when profits are reduced, the same unbounded facility of creation supplies them with still increased amounts of these credits, and thus they are enabled still further to augment their production, still further to stimulate the employment of the labouring class, until the time comes when one engagement can no longer be satisfied by merely contracting another more extensive, and the drama reaches its catastrophe in the form of an explosion.

Secondly. May it not also be true that the rapid and extensive introduction of machinery may have temporarily caused and enhanced distress by disturbing the proportion between supply and demand? There appears to us to be force in the remark that, while production is carried on by the labour of the hand, and of inert instruments which the hand employs, the proportion of supply to demand maintains itself, because consumption and production are multiplied together and in something like equal proportions. But when the great producer is a machine worked by steam, which is not a consumer, or is a consumer in a very small degree, it appears to follow that the articles to which this agent is applied must, in the nature of things, be liable to be produced in temporary excess; that is, in quantities greater than the demand of the time can carry off. We should, however, anticipate but little inconvenience from this description of excess, inconvenience not to be named for a moment in comparison with even the immediate advantages of machinery, were it not that, when this rapid multiplication of the power of production has happened to be contempor-

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aneous with a system facilitating the creation of credits beyond their due proportion to capitals, it seems clear that between the two the means are created of administering for the time an unnatural stimulus to commerce and maintaining its life, as it were, by cordials: meeting reductions of price by new credits and extension of the quantity of goods manufactured, and thus inviting and forcing into action, in order to stave off the evil day, an immense population, still increasing where profits have disappeared and when real capitals are wasting; when, in fact, it ought to be diminishing, but when it continues to increase because sustained for a time upon the excessive credits of which we have spoken as so mischievous. We fix upon them that character, first, because by supplying men with the semblance of property they encourage them to persevere in unprofitable trades until any little real capital they may have possessed has been utterly absorbed; and secondly, because they enable them violently to increase their demand for labour when they ought to be contracting it, a process which, of course, must end in their failing to meet their engagements, or taking away the employment of their people yet more suddenly than they supplied it, or both. And in this process of aggravating the ultimate difficulties for the sake of temporary relief, machinery may, as it seems to us, play a subsidiary part. We freely grant that any over-production which is really based upon capital is not likely to occasion either permanent or weighty inconvenience to a country where trade has fair play; that we are not really poorer in consequence of the augmentation of our productions, even though their price should have diminished in the foreign market proportionably to that augmentation; we grant that the evil of

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undue credits must cure itself in time, but then that time which is required for the purpose is an interval of suffering, and it is the very ordeal, as we apprehend, through which this country has now been passing.

That ordeal, as affecting our capitalists, may have been endurable though not agreeable; but as it respects our working people it has been most severe. It is easy to show, by the most unsuspected computations, that the consumption of this country, in such articles as indicate wealth, is still greater on the whole by far than that of neighbouring nations on the Continent of Europe; for example, in wheat, in animal food, in sugar, in tea and coffee taken together.* But we must remember, in the first place, how very large the upper and middle classes are in England as compared with the same portions of the community in other countries, although still, of course, very small as compared with the labouring population; and we must set down a portion of this excess to the greater extent of these classes. We apprehend it will still remain undeniable that the working population of England, as a whole, consumes more largely than that of other European nations, and of better articles of subsistence. But in proportion as the standard of material comforts has been raised to an elevated point, secession from it becomes, we suspect, more and more intensely painful. We apprehend that there would be more suffering required to effect a transition on the part of our operatives and peasantry generally from wheat to rye and oatmeal than would carry the same classes in Scotland from oatmeal to potatoes. The measure of our possessions is one thing; the measure

* We understand also, from an authentic source, that the increment of the funds in the savings banks for the year 1842 is likely to reach £750,000. The average annual addition is about one million.

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of our feelings, of our happiness, so far as it is connected with those possessions, is another and an altogether different thing. By the dispensation of Providence our sensibilities, our accessibilities to pain, multiply faster than our enjoyments. "My riches," said the member for Salford on a late occasion in Parliament, "consist in the fewness of my wants"; and we honour him for the word. But, resisting the temptation to digress, let us observe that we do not by any means confess our labouring population to have sunk, as a whole, to the level of the corresponding class in other lands in respect of their material comforts; and yet we do sorrowfully believe that a large portion of them have endured within the last few years sharper pain, more piercing privation, than has fallen to the lot of any other people of Christendom since the peace.

And we fear that while our population keeps, on the whole, in a state of tendency to redundancy as compared with the means of employing them, and while those means are liable, from the causes which we have indicated, to such fearful alternations of rapid extension and then of still more sudden and violent contraction, it is impossible but that periods of great suffering to our manufacturing population must, from time to time, recur, although we trust that in no instance may it again please God to visit the country with such a complication of difficulties and distresses as our late experience has witnessed.

An enormous credulity, as it appears to us, is essentially required before a man can raise himself to the level of that dogmatical faith, wherewith some of the opponents of the Corn Laws appear really to believe, that the removal of the restrictions upon the trade in grain is to remove all suffering, to obviate

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all risks, and to introduce, in short, a commercial millennium. We admit that grain is an article of trade, perhaps the first in magnitude; we will concede for the moment that agriculture has no claim to protection on the score of its burdens; we will put out of view the insurmountable objections (as we conceive them to be) to a compliance with the claim of the notorious "League" for the removal at a moment's notice of the legal protection of four hundred years standing; we will grant the monstrous assumption that such removal would cause no inconvenient displacement of rural labour; still we say, on the most favourable and partial showing, the addition which might thus be made to our means of exchange with some countries, particularly with America, although it might be in itself a considerable and a very valuable addition, yet would be a limited one: the opening thus made would, after a very short interval, be speedily filled up by the exercise of our powers of labour and machinery, of capital and credit; the relation of population to the means of employment would remain, or would again become, exactly what it is; the capitalist and not the labourer would, as now, have the command of the market; in short, as Dr. Chalmers told the Anti-Corn Law Conference of 1841 in his letters addressed to them, there is every reason to fear that the relief afforded by the repeal to our operatives would be a brief one, and would be followed by the return of embarrassments in the main homogeneous with those under which we now suffer.

We trust we may be allowed here to remind the reader that religion and Christian virtue, like the faculty of taste and the perception of beauty, have their place, aye, and that the first place, in political

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economy, as the means of creating and preserving wealth. The British artisan may, we believe, lay his account for this position, that there is one, and but one, specific which can save him and his family from periodical exposure to want and suffering, the specific, we mean, of a heartfelt adoption of the law of action which Christianity supplies. By adopting that law—we do not speak of the hand-loom weavers, a class whose condition is exceptional, nor of single persons in any class, but of the generality of our labouring population—he will be enabled to avoid all pernicious indulgences, and to keep his ordinary expenditure *within* the circle of his wants. Those were memorable words which were spoken by John Wesley to this effect: "Save all you can, but lest frugality become avarice, give all you can"; the same holy law which makes men jealous and strict against their own appetites, opens and enlarges their heart towards the wants of others, and towards the service of God; it thus creates a margin, the surplus of their means over their necessities, and the relation which is habitually established between the two acquires the ease and certainty of second nature, and forms the surest fund—whether accompanied or not by actual savings, which we think it should usually be—to be drawn upon in seasons of distress. We are not so sanguine as to believe that under any circumstances the salutary power of the Gospel will be operative upon the whole mass of our population, but it is a consolation to believe that there is a way by which those who are blessed with the will may enable themselves to ward off, both from themselves and from those they love most, the temporal dangers and calamities which appear inseparable from our present commercial state.

We argue, then, that the cause of these evils lies

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deeper than those regions which legislation can penetrate and pervade; but, on the other hand, we contend likewise that legislation has had it within its power to do much towards their alleviation by a cautious and wise adjustment of our commercial laws to the circumstances of the time. The exigencies of one age, more especially in matters of commerce, may not be capable of being met by the expedients of another, and the very best compliment to our forefathers is to alter their arrangements when, and in proportion as, the grounds and reasons of those arrangements have undergone alteration.

The bearing of indirect taxation upon trade is a profound and complex subject, of which we do not pretend to have sounded the depths or unravelled the intricacies; but it is manifest that in a country which raises thirty-six or thirty-eight millions sterling annually from imposts of this kind, there must be ample room for the exercise of discretion in so adjusting the burdens of commerce that they may as little as possible disturb its equilibrium, and may distribute their weight as uniformly as possible over the vast surface to which they are to apply. Changes in the course of trade are perpetually eluding the intents and nullifying the efforts of legislation. If, for instance, we look to what are termed the great monopolies of corn, timber, and sugar—the first was practically inoperative during the whole period of the war, and may be said to date, so far as that phrase can be applied to the subject at all, from 1815. And the intention and belief of the propounders of that measure, as stated in the debates, was that it would secure the cheapness of grain. That of timber was actually created during the war for political purposes. And that of sugar is the youngest of the three, inasmuch

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as it has only become effective since the abolition of slavery in 1834. Before that period the advantage enjoyed by the British planter was a virtual bounty of about 4s. per cwt., occasioned by the excess of the drawback allowed upon the refined article. Both in this case and in that of timber, we may suppose that it never was intended by those who first established the differential duties to create anything like the system which they have actually produced. And, in point of fact, the greater part of the protections which are now afforded to domestic industry grew up during the war to the extravagant height which they attained in consequence of taxation laid on the import of foreign articles, with the simple view of obtaining from them aid to the national revenue. In the cases, for example, of cordage and of corks, two of those in which Sir Robert Peel has been considered to have proceeded with the most unsparing rigour, he did, in fact, replace the import duties (as compared with those on the raw material) upon a footing rather more protective than that which was accorded to those trades previously to the war of the French Revolution.

Sir Robert Peel, in opening his financial statement to the country, announced that the income-tax which he proposed to levy would convert the deficiency which he found existing in the ways and means of the country into a surplus; and would enable him to apply a considerable sum, of some £1,200,000, towards the remission of such taxes as were most unfavourable to our trade. He applied himself to a general revision of the tariff according to rules which he thus enunciated :—

1. The removal of prohibitions, and diminution of duties virtually prohibitory.

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2. The reduction of duties on raw materials generally to 5 per cent. as their maximum.
3. On semi-manufactured articles to 10 or 12 per cent.
4. On fully-manufactured materials to 20 per cent.
5. The introduction of additional remissions of duty in favour of the productions of our Colonies.
6. The abolition of export duties on our manufactures.

Under these rules he proposed to apply the amount of surplus he had thought it so important to secure in something like the following proportions :—

1. The reduction of the timber duties ...	£600,000
2. The reduction of the coffee duties ...	170,000
3. Various smaller deductions of import duty*	270,000
4. The abolition of the $\frac{1}{2}$ per cent. export duty	100,000
Total ...	<hr/> <hr/> £1,140,000

But while this was the amount of the loss to be calculated on in consequence of these important changes, the actual relief to consumption was very much greater. We believe it might, without over-statement, be taken at two millions of money. Our readers will readily comprehend that in many cases industry and consumption may be relieved in a degree much greater, or, on the other hand, if the change be injudicious, much less, than the revenue is diminished. For example, in the case of a reduction of duty upon raw materials, a partial, though here (if the reduction

* In the course of the discussions on the details of the tariff there was an increase of remissions which greatly swelled the amount under this head.

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be ample) a very partial counterpoise is found in the increase of consumption. In reductions upon articles of food, which bear taxation on import much better than the last class, particularly when they do not raise any question of Protection, more may be expected from the augmented demand. In reductions upon manufactured goods, we may often look for an increased revenue from the very same nominal diminution of duty which opens new competition in the article, and thereby cheapens it to the consumer. In the removal of absolute prohibitions, and by bringing down prohibitory duties to an amount which will render a trade in them possible, new revenues are created which before were unheard of.

As far as raw materials are concerned, most of the late reductions, such as those on turpentine, tar, indigo, corkwood, and many more articles, have been so sweeping that the revenue upon them is virtually surrendered. As regards timber, the duty retained is still a very heavy one. Upon unsawn wood, after October 10, 1843, from foreign countries, it will still amount, we apprehend, to 50 per cent. upon the price at which the article can be laid down in bond. Upon deals it will be probably somewhat higher; and yet this is the measure on account of which Sir Robert Peel has been charged for dealing too severely with our colonial interests! As regards duties on articles of food, such as rice from the more southern climes, live animals, salt provisions, and vegetables from the temperate zone, we anticipate, on the whole, a considerable increase of revenue; and we do not despair of seeing made up, in the course of a few years, if the country prosper, the very considerable loss which has been incurred upon coffee. We may expect that manufactured goods will yield more under the new

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law than the old one. And in the class of metals we have at least one remarkable instance, that of copper ores, in which a revenue will be created for the first time, amounting probably to some £30,000 or £40,000 per annum, by the reduction of a prohibitory duty to a very moderate rate.

As was to be expected in the course of so extensive an operation many modifications, though all of a secondary nature, were introduced into the tariff while it remained under discussion. But the acceptance of the measure by Parliament appears to have been complete. Upon reference to the division lists of the House of Commons, we perceive that twenty-six divisions were taken upon the details, upon every one of which the proposition, in the form upon which the Government had finally determined, was affirmed by a large majority.

We do not mean that no objections were taken to the proceedings of the minister; on the contrary, he was charged with a multitude of offences. The accusations were chiefly these :

You have broken faith with the landed interest, your supporters, to whom you were pledged to maintain the principles of Protection.

You have swept away the protections accorded to minor and powerless interests, but you have not dared to touch those enjoyed by the lords of the soil, who hold you in thraldom.

You have uselessly wasted the revenue of the country by the reduction of the duty upon foreign timber from 55s. to 30s., and ultimately 25s., and upon colonial timber from 10s. to the nominal rate of 1s.

You have excepted from your tariff almost every article that would have made it valuable to the nation at large.

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By new differences of duty in favour of the Colonies, you have insured the creation of a number of new interests in favour of the Protective system, which will hereafter increase the force of the parties opposed to commercial freedom, and thus be the means of postponing public improvement.

The best answer to the first of these charges is—the second. We must remark, however, that those who have urged this accusation have ever been careful to dwell in the region of vague generalities. They have never informed the world when it was that the minister promised to maintain existing protections as he found them; they have not even pointed out on what occasion he has ever declared that he considered Protection as *per se* and abstractedly a good; they have forgotten that, expressly and repeatedly before assuming office, he reserved to himself an entire liberty of dealing with the particulars of our commercial system. As to its general principle, protective it was, protective it still is, and protective it is likely to continue, so long as the maxima of equity and justice shall require it to be so.

With regard to the second charge, we think that the Government has shown that it has dealt more tenderly and cautiously, not indeed with the petty, but with the defenceless, interests, than with those which were strong. The protections, for example, which are still left to the cutters of corks, to the makers of straw plait, and to the makers of gloves, are higher, we conceive, than can be said to be strictly warranted by the general rules of the tariff. On the other hand, a remarkable fact is to be remembered; that, although the changes in detail were numerous during the consideration of the resolutions and the

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Bill, in no single instance was the protection originally promised substantially altered, in deference to the demands of a powerful body. We may mention the case of the mining interests, which was temperately advocated by the members for Cornwall, ably argued by many gentlemen engaged in that important industry, and caricatured by Sir Richard Vyvyan in one of the most one-sided productions that ever issued from the Press of this country, or from the brain of man. We may also mention the great North American interest, the shipowners, who adopted their cause,* the whale-fishery trade, the hop-growers, the proprietors of salmon fisheries, and those interested in the feeding of live stock, under which designation is included neither more nor less than the entire landed interest of England, Scotland, and Ireland. Surely if there were truth in the representations of those who taunted Sir Robert Peel with holding office at the pleasure only of the owners of the soil, and with not daring to propose any measure except such as they would allow, at least it must be admitted on their behalf that they were mild and liberal despots, who permitted their slave, the minister, to admit live stock and esculents at duties of some eight or ten per cent., and to reduce by one-half the protection formerly accorded to their corn. In none of these cases did the minister make any deviation from the substance of the proposition which he had originally laid before the House of Commons.

But much was also said against the imprudence of Sir R. Peel in sacrificing the revenue of the country upon timber. Now let any man read the *dicta* of Mr. Deacon Hume; let any man read the chapter of Sir

* See resolutions of the Association at its annual meeting for 1842.

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H. Parnell* on the taxation of raw materials; let any man remember that timber is the one raw material of universal necessity which we do not possess in abundance; that we have clay, lime, coal, iron, copper, tin, lead, but that we want timber; that on this article thus requisite for houses, for farms, for ships, for factories, in a word, for all the purposes of industry and construction, we had imposed a tax of more than one hundred per cent. upon the value which it bore in bond; and that the politicians, who pride themselves on their familiarity with economical laws, accused the minister of lavish waste of the public means when he repealed about one-half of this obnoxious tax! Suppose we had been a coal-importing country; suppose we had wanted iron suitable for ordinary purposes, and any man had proposed to lay on the importation of them a tax of one-fourth, aye, or of one-tenth, of that amount, no minister, whatever his talents, whatever his majority, could have had the smallest hope of success in carrying such a tax.

In fact, the old system of the timber duties had in it everything that could render it noxious and improvident in its bearings upon national wealth. It involved: (1) An enormous burden upon a raw material of the very first necessity; (2) a differential duty upon Colonial as compared with British timber; (3) a further and high differential duty upon foreign wood as compared with both; (4) an arbitrary distribution of the tax in detail so complex that it became the work of years accurately to comprehend all the mysterious bearings and workings of the scale, and laid in a manner so unequally affecting different dimensions of wood, that the producers were forced

* "Financial Reform," chap. ii.

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to cut up their trees, not according to the manner in which Providence has ordained that they should grow, but according to the very different manner in which they could most alleviate the crushing weight of our duties, and that the law was actually, as regarded many descriptions of wood, for us a prohibitory law; (5) it involved the gross, and to our artisans the very cruel absurdity, that while we exacted a duty of one hundred per cent. upon the raw material of their industry, we admitted any fully manufactured article made of that same raw material, from abroad, at the charge of only twenty per cent. upon its value!

But, in truth, the propounders of the plan of 1841 could not well be favourable judges of the very different plan of 1842. Their plan was to double the duty on Colonial wood, raising it from 10s. to 20s., and to make an altogether insensible reduction upon foreign wood, bringing it down from 55s. to 50s. Of this plan we need only say: (1) That it was more than doubtful whether it would have raised any part of the additional revenue for the year which was expected from it; (2) that it did not even aim at making any perceptible reduction in the burdensome impost upon a material of absolute and universal necessity; (3) that it was much more threatening to the Colonial interests than that which has now been passed; (4) that it actually doubled the protective duty upon British as against Colonial wood; (5) that the plan as announced contained no provision for retrieving the sheer waste and loss occasioned by the arbitrary selection of dimensions of sawn wood in the old scale; and (6) that it left just where it was the preposterous state of the law, under which wood wholly unprepared could only come in at a duty of 100 per cent., while the same wood manufactured found entrance at one-fifth of that

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charge upon its value. Such, as far as the world is aware, was the timber scheme of 1841.

We pass on to the fourth charge—that relating to exceptions from the tariff.

There is no doubt that they were very considerable. The amount at the disposal of the minister did not enable him to adjust all the points, which were presented upon a breadth so great as that of a tariff raising twenty millions annually. But we apprehend that there was no exception that had not a reason distinctly announced for it in the course of the discussions—either on the ground of revenue, or of the circumstance that the article actually was, or was likely to become, a subject of negotiation with foreign Powers.

On the first of these grounds there would appear to have been reserved the articles of butter, cheese, cotton, sheep's wool, tallow—all of them, we apprehend, deserving the attention of any Government which may have revenue to spare.

On the ground of reference to foreign negotiations other important reservations seem to have been made, including sugar, silks, brandies, wines, and fruits. On the first, and probably on the second, of these, reduction is desirable for its own sake; on the others, we imagine, it could only be contemplated at present in consideration of obtaining by it important commercial advantages.

It can hardly fail to be observed that among these exceptions are several upon which reductions of duty are exceedingly to be wished, but, of course, in judging of the proceedings of Sir Robert Peel and Lord Ripon, we must ask, not whether they have done at one blow everything that is in itself expedient for the reformation of the tariff, but whether, having a certain

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amount of revenue to dispose of, they have bestowed it in the mode most beneficial to British industry as a whole, and most equitable as between its different branches.

If we examine the reductions which have been actually made upon our imports we shall find that between three-fourths and four-fifths of the whole have been assigned to those raw materials upon which our industry is employed, and only somewhat more than one-fifth to articles prepared for consumption.

In the first class, besides timber at £600,000, we find bark and dye stuffs of various kinds, £110,000; turpentine, £80,000; hides and skins, £60,000; clover seed, £70,000; furniture woods, £50,000; oils, £30,000; with other articles, amounting in all to upwards of £1,100,000.

In the class of articles prepared for consumption scarcely any duty has been reduced, apparently, for the single purpose of lowering the tax upon it; but in every case a double advantage has been sought: First, that of a moderate impost; secondly, that of a more open competition; and in many instances a third also, that of overcoming the smuggler. All the duties under this head which have been touched are differential duties; on articles of food, such as coffee, rice, cocoa, tares and onions; on articles of manufacture, such as gloves, glass, East India silks, straw plait, linens, watches, and others. The relief to consumption and the stimulus to competition must be regarded as the great boons to the community in operations of this kind. As regards coffee, indeed, the process is still incomplete. It has been publicly stated that remissions will be made upon the present differential duty of 4d. in favour of countries with which we may conclude specific commercial arrangements. But in

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the meantime the public has reaped the advantage, from the change already effected, of a reduction in the price of coffee, which may, we believe, be safely taken at 3d. per lb. If we take this sum as the measure of the advantage to the consumer, it will give a total benefit on thirty millions of pounds, of £375,000; whereas the computed loss to the revenue, as we have already observed, is only £170,000.

It appears to us that the general argument against the taxation of raw materials is a good argument. It restricts competition, by confining business to larger capitals than would otherwise be necessary. It places the pressure upon industry at a maximum, by laying it upon the very earliest stage of its process, and thus continuing it over the whole. These objections are applicable even where the material is imported for consumption at home. But in England, the greatest depot, the greatest manufacturer of raw materials and the greatest exporter of them in a prepared state for use abroad, of all the countries of the world, to lay heavy import duties on materials capable of being so worked up, is simply by her own act to deny to herself the exercise of trades which nature has made hers. We take three examples from the articles we have named. The Government have sacrificed a considerable revenue on the articles of—

1. Hides and skins...	...	...	...	£60,000
2. Bark for tanning	...	...	...	12,000
3. Turpentine	...	...	...	80,000
4. Oils	40,000
Total				<u>£192,000</u>

But in the first of these cases it has been for the pur-

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pose of extending an export trade already large;* in the second and the third, for the sake of creating export trades for which there was reason to believe our circumstances were well adapted.

The following returns must not be taken as conclusive upon the policy of these changes; but they tend to illustrate partially the grounds which appeared to render them advisable.

It will be recollected that the new law came into operation on July 9 in the present year.

		cwts.
1.	Hides, untanned, entered for home consumption from January 5 to December 5, 1841	451,950
	Do. in the corresponding period for 1842	501,882
	Increase	<u>49,932</u>
	Probable value, showing the addition thus made to the import trade ...	£100,000
2.	Oak bark for tanning, entered for home consumption in the same period for 1841 ...	471,485
	Do. in the same period for 1842	592,590
	Increase	<u>121,105</u>
	Probable value, showing the addition to the import trade	£40,000
3.	Raw turpentine, entered for home consumption in the same period for 1841	304,498
	Do. in the same period for 1842	422,998
	Increase	<u>118,500</u>
	Probable value, showing the addition to the import trade	£70,000

* We exported leather and saddlery to the amount: in 1839, of £476,000; in 1840, of £417,000; in 1841, of £427,246.

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	tuns.
4. Olive oil, entered for home consumption in the same period for 1841	5,053
Do. in the same period for 1842	<u>8,578</u>
	Increase
	3,525
Probable value, showing the addition to the import trade	<u>£200,000</u>

Of the sum of £192,000, the calculated loss to the revenue, as given above, about £140,000 would be due to the four articles we have just named, for the entire year. Of this, again, about £55,000 ought to be ascribed to the five months during which the new tariff has been in operation. Now the whole apparent increase in the quantities taken for consumption (and probably something more, since there is no doubt that our trade generally exhibits a decline for the latter of the two periods as compared with the former) is attributable to the time during which the new law has been in operation. It appears, therefore, that upon these articles a sacrifice of revenue to the amount of £55,000 has at once produced an increase of trade as follows :—

In untanned hides	£100,000
In oak bark	40,000
In turpentine	70,000
In olive oil	<u>200,000</u>
	£410,000

without taking into account the increase which, in the long run, will accrue to our export trade in exchange for these commodities.

And, speaking generally, the following compari-

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son seems to us to justify the determination of the Administration to spend its disposable revenue upon the relief chiefly of raw materials. When the tax is diminished upon any article of consumption imported from abroad the demand for that article is, of course, enlarged, and the trade in it, and in what is to be exchanged for it, receives an immediate stimulus; besides this, the general means of consumers, available for other purposes, are enlarged by whatever diminution takes place in the price; and it may be presumed that the increment thus realised will, sooner or later, go to create a new demand for labour; thus one addition is made directly to employment and another indirectly. But in the case of a remission of duty upon a raw material there is a *double* direct action upon industry: first, in the increased labour of importing the material and of preparing the returns for it; and next, in the increased labour upon the distinct trade of working up the material into manufactured goods, and the barter therewith connected.

And we remark that so steadily does the attention of the minister seem to have been directed to the paramount object of increasing the means of employment, that although among the raw materials we import there were many by means of which equivalent concession might probably have been obtained through negotiation from foreign Powers—such as furniture woods, metallic ores, hides and skins, cork, liquorice, olive oil, oak bark, and especially the great article of timber—yet in no case does any raw material or accessory of manufacture appear to have been exempted from the operation of the general rules of the tariff for the sake of any such contingent and comparatively remote advantage.

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It was easy to advance the objection that a remission of duty on sugar would have been preferable to that on timber. We have little doubt it would have been more popular; we deny that it would have been by any means so advantageous. In the first place, because, made unconditionally, it might have involved a sacrifice of those great interests of humanity which, as Sir R. Peel declared in 1841, mixed themselves with the commercial question; in the second place, because it was more politic to remit taxation upon a raw material than upon an article of consumption; in the third place, because our timber law not merely involved a high differential tax, but by its arbitrary structure entailed, for the profit of nobody, an additional and gratuitous waste of the wealth of the nation.

We shall deal very shortly with the last objection, namely, that offered to the creation of new differential duties in favour of the Colonies. In no case, we were told by the Government, has any such difference been introduced, except where a competition already lay between the foreign and the British producer, and where, therefore, the reduction, if it created a protective duty as against the foreigner, reduced one as between the home producer and the colonist, for the advantage of the consumer. But then it was said that new interests will be raised up by these duties, which will hereafter oppose further remissions upon foreign commodities. We reply that those who have grappled with the timber question, and who have declared themselves ready to grapple with the sugar question so soon as considerations higher than those of simple commerce shall allow, need not fear, and do not fear, any combination of capitalists in our Colonial trade which might offer an obstacle to the discharge of their

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public duty. As to the old differential duties in favour of Colonial products, most of them, for the advantage of the British public, have been greatly reduced in the new tariff.

But let us now consider, after dealing with the defensive side of the question, what it is that Sir Robert Peel and Lord Ripon *have done* by the new tariff.

I. They have endeavoured, for the first time, to apply general rules and reasons to our system of import duties.

Mr. Pitt, in his celebrated Act of 1787,* simplified and consolidated what was previously almost unintelligible to the world at large; and he likewise materially altered the imposts upon certain articles; but he did not attempt to reduce the mass to anything like uniformity of principle. Many changes were made during the war for the sake of revenue, which went to render the system, if it could be called one, still more anomalous. In 1819 there was a revision; but without any attempt to define any one general and consistent basis. Between this period and 1827 many most important changes in our commercial system were effected by Lord Wallace, and under the masterly hand of Mr. Huskisson; but still they were upon particulars. In 1832 and 1833 a variety of valuable reductions were made; but they were upon articles of secondary importance. From 1833 to 1841 was a period of the most inactive, we believe, in the improvement of our commercial legislation, since the peace of 1815; but in 1840 a committee of the House of Commons recommended a general revision of the duties. That labour has been undertaken, and at once effected, by Sir Robert Peel and Lord Ripon.

* "Parliamentary History," vol. xxvi., p. 629.

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2. They have established rules available for the treatment of all those articles in the tariff which they were unable to include in the operations of the year; and those so clear that the actual application, so soon as it may be practicable, can admit of but little dispute, either as to its substance or its form.

3. They have abolished prohibitions and prohibitory duties generally.

4. They have liberated the great mass of raw materials and accessories of manufacture from sensible charge.

5. They have given all but absolute freedom to the victualling of our commercial marine.

6. They have created many new facilities for the employment of shipping in the Colonial trade, but so as not to prejudice the interests of the consumer or the revenue as they found them.

7. They have substituted a system of low duties on ores and metals for one which (except on bar iron) was prohibitory, and have thus, we believe, put the country in a position to centralise within itself the trade of the world for these great articles.

8. They have done away with a practice which had given great and not wholly unjust offence in America, and which is alleged in the recent Report of a Committee of Congress on Commerce as a serious grievance—namely, that of granting privilege of duty to foreign produce when carried to the United Kingdom from the ports of our Colonies, and thereby excluding, under the provisions of our Navigation Act, the vessels of the producing country from a fair competition with our own for the voyage across the ocean, as, for example, in the case of their pitch-pine timber, and their ashes, which were brought hither from British North America. The practice was also open

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to the objection that it starved the revenue, often without any advantage to the consumer.

9. They have relieved the export trade of the country from a tax, small indeed in amount but wholly mischievous, as being just so much taken from the means of the British manufacturer to meet his rival in the foreign market.

10. They have placed the trade in live stock, in meat, and in vegetables, instead of on a footing almost prohibitory, upon one of duties in almost all cases of the most moderate description; we presume, upon the principle that the necessaries of life are to be regarded as very nearly approximating in their nature to raw materials of industry as they enter largely into the cost of labour.

11. They have announced to foreign countries the resolution of Great Britain freely to expose her manufacturers to competition, and to enter with good heart into an open, honourable, and friendly rivalry of production with all other nations. They have not only seen that it is vain to dream of preventing other countries from manufacturing for themselves; but, if we may judge from their acts, they welcome and hail the development of foreign industry, being well assured that if it be a natural and not an artificial, a healthful and not a forced development, one founded upon intrinsic adaptation and capacity, and not on what in this matter we may almost call the brute machinery of law, it may, indeed, shift the distribution of different employments, it may cause inconvenience while the process is advancing, but it will contribute in the end to the wealth of all, and to their reciprocal friendship and good understanding.

We need not, and we do not, judge the proceedings of our forefathers. We have endeavoured to

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show that other countries have no right to complain of them; that the very utmost that can be alleged by the most hostile reasoner is, that they conferred a smaller amount of benefits on the world at large by their commercial energy than if omniscient and infallible they might have done. But while holding dear their reputation, and surrendering none of it to native or to foreign calumniators, we feel it easy, nevertheless, to justify the policy of Sir Robert Peel on the ground that it was adapted to the exigencies of the time, and to the interests of the nation and the world under their existing circumstances.

During the revolutionary war we became in a great degree, partly from political causes and partly from our mechanical inventions, the manufacturers, merchants, and carriers of the world. Our trade yielded high profits; our expenditure entailed enormous burdens and very high prices; the manufacturing genius and industry of the people, and the wealth of the country, received as it were a forced and precocious development. Considering the unprecedented amount of the debt, and of the taxation mortgaged for its payment, was it not pardonable, at least antecedently to experience, to believe at the close of the war in the necessity of maintaining as far as possible the existing range of prices?

But with the peace the pursuits of peace naturally revived on the Continent, and our customers became our rivals. We had had during the war generally high taxation, high profits, abundant markets; after its cessation the great bulk of the taxation necessarily remained; but under the influence of a daily extending competition and of protective laws abroad profits progressively declined, and markets were closed or the access to them in various degrees obstructed. For

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the supply of our fiscal necessities, duties had been laid upon every imaginable import—upon nearly all raw materials among the rest—and their inconvenient pressure, in the altered circumstances of the country, soon began to be felt.

In the meantime we had lost any chance of saying we will contract our operations and will fall back on ourselves and on our own resources; we will rely on the home market and contain ourselves within our own circle of supply and demand. We had become immediately, and as it were organically, dependent on our foreign trade; it was no longer an accident or an appendage, but it was a main artery of the system, through which, in great part, buoyancy or depression affected our industrial life. A very high standard of material enjoyment had been established among the people, from which it is in the extreme difficult and painful to recede.

Thus it had become no matter of doctrinal optimism, but one of the most plain and proximate utility—we should rather say, of iron necessity—that we should more frankly enter into general competition in the markets of the world, and should consequently use every effort to cheapen production by relieving the materials of our industry, in their order of importance, from fiscal exactions, and by mitigating, with a just measure of regard to existing interests and to the virtual pledges which grow out of established laws, all partial burdens upon trade, by which the community as a whole is laid under contribution to support the particular pursuits of certain of the classes comprised within it. If we are to flourish and if we are to live we must learn, one way or other, to compete with cheaper labour, with lighter taxes, with more fertile soils, with richer mines than our own; and if this is

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to be done, both the working hand, and the material upon which it is to work, must, as soon as practicable, be set free.

Hence the reduction of duties on raw materials; and how unworthy would Sir Robert Peel have shown himself to have been the colleague of Mr. Huskisson in 1825 if in 1842 he had failed to discern the real exigencies of the country in its trading interests! Hence the reductions, and the removal of prohibitions, affecting great articles of consumption, which, as we have stated, approximate, more or less, to the character of raw materials. Hence also the principle is established that foreign manufactures must be moderately taxed. First, because all our greater manufactures must be articles of export—on which, speaking generally, high duties at home would be unavailing. Secondly, because as duties are reduced progressively on materials and on natural objects of consumption, high duties on manufactured articles, if effective, would be contrary to justice as between one class and another, and would be premiums on sloth, waste, and bad workmanship.

But lastly we contend that what the minister has done he has effected with a just regard to the expectations raised under prior legislation and without serious shock to British industry in any of its branches.

The complaining classes are few—they are scarcely more than one or two. We need not dwell on the case of Colonial timber, for we have heard no allegation that it is at present worse than it was last year, when it was selling, by the admission of all parties, at a loss; and to this cause we apprehend the diminished importation of the present season is to be ascribed. We do not believe that panic has aggravated the pre-

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viously existing depression here, although the colonists may have been induced to lower their price in British North America in consequence of their apprehensions. The importations of foreign wood, at least, have not been excessive; and as the enlargement of the fall of timber abroad requires time we must not expect to see for eighteen months or two years to come the full benefit of this important and comprehensive measure.

We must, however, advert briefly to the subject of the importation of cattle, because almost every country, and especially almost every Irish* newspaper, heads its doleful accounts of the recent fairs with some such title as "Effects of the New Tariff." The prices of cattle have fallen some say 20 and some 30 per cent. But whatever be the true causes of this reduction, we shall be much surprised if Sir Robert Peel, on behalf of his new customs law, either claims its merit or pleads guilty to its blame. That the importations from abroad have done something towards reducing the prices we believe, nay more, we hope and trust; for it was time, and more than time, that they should be lowered; but we state it with sincerity as our conviction that they have been the least powerful of all the causes which have produced the fall.

The accounts of the importation of live animals from abroad have been constantly before the public, and one might have hoped that they would have disengaged of their spell any of those persons who might have been disposed to ascribe to foreign competition the sudden depression in the price of the stock.

* We find, however, a very sensible statement in the *Belfast Mercantile Register* of November 22nd, showing that the prices as at present reduced are higher than the farmers received from 1831 to 1835.

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We extract the following from the market report of the *Times* of December 6:—

“Smithfield Market, Monday, Dec. 5.

“The effects of the new tariff are beginning to show themselves more and more; the places of exports have increased both in number and distance. Until to-day the foreign cattle imported into England has been entirely confined to the Continent, but now it will be found that the most distant shores have contributed to the market. The number so received, however, is on the smallest scale, yet not the less interesting as coming from Lower Canada and from the East Indies. The official account on which the duty has been paid for the week ending the 3rd inst. gives the following result: Three cows from Rotterdam; one ditto from Quebec; one ditto from Montreal; one ditto from St. John, New Brunswick; one bull from Calcutta; making a total of seven head. The number at market to-day was about five, all of which were of a very bad quality, and commanded little or no attention. The prices realised for three were perhaps lower than on any former occasion.”

And we are anxious to know who were the speculators of vast and comprehensive mind in Quebec, Montreal, St. John, and Calcutta, who determined to take the supply of this country with butcher's meat into their own hands, and shipped accordingly—one head apiece. We venture humbly to conjecture that each of those animals was a surplus remaining from the stores of the importing vessel, and was sold, naturally enough, not so much to relieve the wants of this country as to save the cost of feeding while the ship was in port.

We look to the weekly accounts of Smithfield Market, and we presume the farmer does so likewise, and we see there some such account as this—in the

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very focus, too, of foreign import: 3,000 British beasts, 40 foreign. On December 12—the great Christmas market-day—there appeared at Smithfield 4,540 head of cattle. What was the number of their foreign competitors? Hear the report of a daily paper: "Not a single fresh head of stock was on offer from abroad; *there being only a very rough Hamburg beast received viâ Hull!*" Really to assign to this minute and scarcely sensible addition from abroad the deadness of the market reminds us of the injustice of the alderman who forgot the dainty turtle and punch, with the long train that follows them, and ascribes his gout to an unhappy mutton chop which he had been incautious enough to eat.

The total importations from July 10 to December 5 have been as follows:—

Oxen, bulls and cows, month ending Aug. 5	103
" " " " Sept. 5	792
" " " " Oct. 10	1,365
" " " " Nov. 5	993
" " " " Dec. 5	726
<hr/>	<hr/>
Total	3,979
Other animals for food	1,098
<hr/>	<hr/>
Total of all kinds	5,077

This number is at the rate, for cattle alone, of only 9,600 head *per annum*; and we think it was admitted in the discussions upon this case that any importation short of thirty or forty thousand head annually must be ineffective for the purpose of acting sensibly upon price. It may be observed, too, that the question of the rate of increase which may be expected for the future remains somewhat ambiguous. Let us, however, do justice to the tariff; there has

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also been an importation (almost wholly new) of salt meat, to the extent of 16,000 cwt., between October 10 and December 5, which appears to have sold at from 3d. to 4d. per lb. But previously to the change in the law this meat might have been consumed; the only difference now made is, that the duty is reduced by 4s. per cwt., or less than $\frac{1}{2}$ d. per lb., and we grieve to say we cannot but regard the demand which has sprung up during the last autumn, under these circumstances, for this inferior description of animal food as a new proof of the comparative exhaustion of the consuming power of the country, like the recent increase in the use of molasses, taken together with the decrease in the consumption of sugar, for which it has become a substitute.

We believe that in Ireland there has been a special reason for the excess of supplies of cattle, as compared with demand, in a distemper prevailing extensively among them. But, speaking generally, we apprehend that the main causes of the decrease of price have been two, and the second more important than the first; the first being a panic among the graziers, which, however imaginary be its ground, is, of course, not on that account the less real in its effects; secondly, the decrease of consumption through the comparative poverty of the people. Twelve months ago, when matters were better than they have since been, the Commissioners of Inquiry into the distress at Stockport took the following evidence (for example) from Mr. Tinker, a medical officer of the Hyde District of the Stockport Union: "I know for certain that not half the number of cattle are killed by the butchers in the township of Hyde that there were eighteen months ago."*

* Page 83 of Appendix to Report, Paper No. 158, Session 1842.

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Now suppose the consuming power of the country to have decreased by 5 per cent., that proportion, on a total of 1,600,000 head annually, would give a diminution in demand to the extent of 80,000 head—we ask, is it more rational to impute the fall of price mainly to the void so created, or to importations from abroad, which are proceeding, as we have shown, at the rate of only 9,600 head *per annum*? We do not expatiate here upon the fertile theme of the quantities of inferior meat which have been palmed upon the public at prices really and relatively quite high enough under the convenient pretext of the new tariff.

It will probably be unsafe for some time longer to pronounce confidently upon the general results of the recent measure. Nevertheless, judging from such figures as we are enabled to obtain up to the present time, we think there are signs that the expectations of the Government, so soon as the state of trade shall allow full scope to the experiment, will not be disappointed. We would quote, for example, the following articles, in addition to those we have already named while discussing the question of taxes upon raw materials :—

While the general consumption of the country has been diminishing, and while the turn-out of last autumn in particular has unfavourably affected the returns for the half-year now expiring, we think the following details with respect to coffee satisfactory. The consumption of British coffee has decreased, with the decreasing supply from our Possessions, in the first eleven months of 1842 as compared with the same period in 1841, the return for the latter being 16,034,000 lb., and that for the former 15,881,000 lb. But the demand for foreign coffee exhibited an in-

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crease of 511,000 lb., covering the above-named deficiency of 153,000 lb., and leaving a positive excess of 458,000 lb. The wholesale prices of the article, duty free, further illustrate the working of the measure: there appears a fall of about 5s. per cwt. in British (except the very best), and about 8s. in that of Java, which used formerly, by being imported through a British settlement, to obtain a remission of duty as compared with foreign directly imported; but both are now placed upon the same footing.

The copper ore, which was formerly smelted in bond, and supplied by us to the foreign manufacturer at a price of £8 or £10 lower than that at which it could be bought by his British competitor, is now entered for home consumption under a reduced duty; and this measure has, we believe, already had the effects of raising the price abroad, of lowering it at home, of encouraging the demand for British manufactures of that material (the exports of which will, we believe, exhibit an increase for the year, while our exports in nearly every other article have been diminished; and it has likewise contributed during the five months of the new tariff £11,500 to the revenue.

The salt beef and pork entered for consumption between October 10 and December 5 contribute to the revenue at the rate of about £28,000 *per annum*; or, if bacon and hams be included, about £35,000 *per annum*; while the advantage to the consumer appears to have been more than proportionate. Mess beef is quoted at a reduction of about 18s. per tierce, and pork at from £1 to £2 per barrel.

The duty on the article of lard was reduced from 8s. per cwt. to 2s.; the price has fallen from 62s. to 50s.; and the entries for consumption, we believe, are becoming considerable.

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It is difficult to know how far the depression of price in these articles, which in some cases is very great, is to be ascribed to the change in the law, and how far to the reduced circumstances of the consumers; but we have stated, we think, enough to show that the recent alterations in them are effective for the benefit of the consumer and also for that of the revenue. It would be altogether premature, and even extravagant, to assume that the immediate consequences of all the alterations of duty will resemble those which have been quoted in the course of these remarks. In many cases a reduction of duty is, in its first effect, little more than a boon to the importer; but, if it be a wise one, it will thereafter tell advantageously upon trade and consumption.

But without anticipating experience, and while awaiting its instructions, we rest for the present in the confident belief, first, that England, with courage and consistency, will succeed, and that ere long, in imparting to other nations much of the tone of her own commercial legislations; secondly, that in spite of her burdens and her disadvantages, she will maintain her commercial position among the nations of the world, provided also she can also maintain, or rather also elevate the moral and spiritual life of her own children within her borders. Her material greatness has grown out of her social and religious soundness, and out of the power and integrity of individual character; let us hope that it will not re-act; that it is not re-acting by corroding contamination upon the stock from which it has sprung. It is well to talk of our geographical position; but this does not alone make a nation great in industrial pursuits. There is our mineral wealth; not so much, probably, greater than that of other lands as earlier extracted and

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employed; and whence proceeded that earlier extraction and application? There is our capital, the fruit of our accumulated industry: why does this exceed the capital of other nations, but because there was *more* industry, and therefore more accumulation? There are our inventions! they did not fall upon us from the clouds like the Ancilia of Rome; they are the index and the fruit of powerful and indefatigable thought applied to their subject matter. It is in the creature MAN, such as God has made him in this island, that the moving cause of the commercial pre-eminence of the country is to be found; and his title to that pre-eminence is secure if he can in himself but be preserved, or even rescued from degeneracy.

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